



Audit, Governance and Standards Committee

PLEASE NOTE: This will be a 'virtual meeting', held remotely in accordance with section 78 of the Coronavirus Act 2020. For press and public access to proceedings please follow the link below.

https://richmondshiredc.zoom.us/webinar/register/WN_6zJoUngpQi27u3YYAPACyA

Date/Time: Tuesday, 30 March 2021 at 6.30 pm

Agenda

1. **Chairman's Announcement**
2. **Apologies for Absence**
3. **Minutes**

To confirm as an accurate record the Minutes of the meeting held on Tuesday 26 January 2021. 5 - 8
4. **Public Speaking and Question Time**

To receive any requests to address the Committee or respond to any questions from members for the public. (Please see the notes for further information)
5. **Declarations of Interest**
6. **Work Programme Update**

Senior Management Team to present the Committee's updated Work Programme. 9 - 10
7. **Internal Audit and Counter Fraud Progress Report**

A representative of Veritau to present a report outlining the work undertaken by the Internal Audit and Counter Fraud team. 11 - 24
8. **Internal Audit, Counter Fraud and Information Governance Plans 2021/22**

A representative of Veritau to present a report seeking approval for the planned program of Internal Audit work for 2021/22. 25 - 42
9. **External Audit Update**

A representative of E&Y to provide an update on External Audit 43 - 72

work.

10. **Whistle-blowers Policy Update**

The Corporate Director (s151 Officer) to present a report with a proposed update to the Whistle-blowers Policy for Members' consideration. 73 - 88

11. **Partnership Governance Update**

The Corporate Director (s151 Officer) to present a report advising the committee of the significant partnerships that the Council is involved with and the governance arrangements currently in place. 89 - 120

12. **Risk Management Update**

The Corporate Director (s151 Officer) to present a report updating the Committee on progress on risk management and proposed future actions. 121 - 124

Published on Monday, 22 March 2021

Membership

Councillors:

1. Councillor Angus Thompson (Chairman)
2. Councillor Lawrence Grose (Vice-Chairman)
3. Councillor John Amsden
4. Councillor Paul Cullen
5. Councillor Campbell Dawson
6. Councillor William Heslop
7. Councillor Leslie Rowe
8. Councillor Paul Spencer

Nominated by:

Conservative
Conservative
Richmondshire Together
Richmondshire Together
Conservative
Richmondshire Together
The Green Party and
Independent
Richmondshire Together

Total Membership: 8

(4 Richmondshire Together, 3 Conservative, 1 The Green Party and Independent)

Quorum: 4

Notes

- (a) For further information concerning this meeting or should you require a large print agenda, please contact Democratic Services Tel (01748) 901011, or email democracy@richmondshire.gov.uk
- (b) Written notice of any public statements/questions must be received at Mercury House by 9.30 am on the day of this meeting. Details of the public speaking and question time procedure are available at

<https://www.richmondshire.gov.uk/council-and-democracy/have-your-say/attend-council-meetings/>.

- (c) The venue for this meeting is wheelchair accessible and has an induction loop available for anyone who is hearing impaired.
- (d) If any Member requires advice in relation to a potential disclosable interest they may have on any matters listed above, he/she should contact the Monitoring Officer before the meeting.
- (e) Items marked with a ♦ require ratification by Full Council.
- (f) This meeting may be recorded or broadcast online by members of the press or public. If you do not wish to be recorded please inform the Democratic Services Officer prior to the start of the meeting.

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Agenda Item 3

At a Virtual Meeting of the Audit, Governance and Standards Committee of Richmondshire District Council on Tuesday, 26 January 2021 at 6.30 pm.

Present: Councillor Angus Thompson (Chairman)
Councillors Lawrence Grose, John Amsden, Campbell Dawson, William Heslop and Leslie Rowe.

Officers: Sian Moore (Corporate Director (s151 Officer)), Callum McKeon (Corporate Director (Strategy and Regulatory)), Edward Maxwell (Democratic Services Officer) and Leo Stolarski (Democratic Services Assistant).

In Attendance: Councillor Ian Threlfall, Sarah Wallis, Ian Morton, Connor Munro (Veritau North Yorkshire – Internal Audit) and Hassan Rohimun (Ernst and Young – External Audit).

Apologies: Councillors Paul Cullen and Paul Spencer.

AG32/20 Minutes

Resolved: That the Minutes of the meeting held on 17 November 2020 be approved and signed as an accurate record.

AG33/20 Public Speaking and Question Time

There were no public questions or statements submitted for consideration at the meeting.

AG34/20 Declarations of Interest

There were no declarations of interest reported at the meeting.

AG35/20 Work Programme Update

Senior Management Team submitted an up to date Audit, Governance and Standards Committee Work Programme.

Resolved: That the updated Audit, Governance and Standards Committee Work Programme be noted.

AG36/20 Treasury Management Strategy

The Corporate Director (S151 Officer) presented the Treasury Management Strategy 2021/22 for recommendation to Corporate Board for approval.

Resolved: That the 2021/22 Treasury Management Strategy be recommended to Corporate Board for approval.

Audit, Governance and Standards Committee – Tuesday, 26 January 2021

AG37/20 Information Governance Update

The Corporate Director (S151 Officer) presented a written report on actions taking place in relation to Information Governance. A copy of the action which had been updated at the last Corporate Group was appended to the report. It was noted that there had been a significant increase in data sharing and data impact assessments required to support Test and Trace to identify vulnerable residents and the vaccination programmes.

Resolved: That the progress made to date on Information Governance be noted.

AG38/20 ♦ Review of Addendum to Constitution

The Corporate Director (Strategy and Regulatory) presented a written report proposing that the protocol governing virtual meetings be amended to request that members refrain from smoking, vaping or consuming alcohol during public meetings.

Resolved: That it be recommended to Council that the virtual meetings protocol be amended to advise members not to smoke, vape or drink alcohol during public meetings.

AG39/20 Internal Audit and Counter Fraud Progress Report 2020/21

The Corporate Director (s151 Officer) presented a written report on progress made to date in delivering the 2020/21 internal audit and counter fraud work programme. Details of progress against the planned work was set out in Appendix 1 to the report including details of audits completed as part of the 2019/20 plan not previously reported.

Resolved: That the progress on the delivery of the audit and counter fraud plans be noted.

AG40/20 Verbal Update from External Audit

A representative from Ernst and Young presented a verbal update on progress of the audit on the housing benefits certification. It was noted that the findings would be submitted to the next meeting and that audit planning for the current financial year should commence in March.

Resolved: That the update be noted.

AG41/20 Veritau Contract Update

The Corporate Director (S151 Officer) presented a written report on the proposed extension of the contract with Veritau to provide Internal Audit, Counter Fraud and Information Governance support. An extension of the contract for 2 years until 2024 was proposed to allow the Council to consider its requirements for assurance services in the longer term once

Audit, Governance and Standards Committee – Tuesday, 26 January 2021

a decision on Local Government Reorganisation has been made.

Resolved: That the proposed contract extension with Veritau North Yorkshire be noted.

The meeting concluded at approximately 7.10 pm.

◆ **Decision to be ratified by Full Council on 23 February 2021**

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AUDIT, GOVERNANCE AND STANDARDS COMMITTEE									
Programme of Work									
		Mar-21	Jul-21	Sep-21	Jan-22	Mar-22	Jul-22	Sep-22	
Internal Audit / Counter Fraud									
Internal Audit & Counter Fraud Plan	V								
Internal Audit & counter fraud progress	V								
Annual Head of Internal Audit Report	V								
Annual Review of Internal Audit Charter	V								
Review of counter fraud strategy and policy	V								
External Audit									
External Audit Plan	EY								
External Audit progress - Value for Money / Audit	EY								
External Audit Annual report	EY								
External Audit Letter of External Auditor	EY								
External Audit Grant letter	EY								
Appointment of External Auditors - PSAA	SM								
Governance Issues									
Draft Accounts	SM								
Final Accounts	SM								
RIPA - as needed	CM								
Annual Governance Statement	SM								
Members code of Conduct	CM								
Partnership Governance	SM								
Information Governance	SM								
Corporate Governance	CM								
Ombudsman Annual Review	CM								
Business Continuity Planning	CM								
Risk Management	SM								
Health & Safety	CD								
Review of Constitution	CM								
Review of Treasury Management Policy (inc TMPs)	SM								
Work Programme update	SM								
Effectiveness of Audit Committee	SM								

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Audit, Governance and Standards Committee

30 March 2021

INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT 2020/21

Report of Corporate Director, Resources (s151 Officer)

**All Wards
Key Decision N**

1.0 Purpose of Report

- 1.1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards.
- 1.2 The Audit, Governance and Standards Committee approved the internal audit and counter fraud plans for 2020/21 at its meeting held on the 20 July 2020. This plan was amended at the meeting on 29 September 2021 because of the impact of the Covid pandemic. The purpose of this report is to inform members of the progress made to date in delivering internal audit and counter fraud work.

2.0 Decisions Sought

- 2.1 The Audit, Governance and Standards Committee is asked to consider the work undertaken by internal audit and the counter fraud team to date.

3.0 Link to Corporate Priorities

- 3.1 This reports links to the council priority of being a 'Fit for Purpose' council.

4.0 Internal Audit and Counter Fraud Progress Report

- 4.1 The reports enclosed in **Annexes 1 and 2** summarise internal audit and counter fraud work undertaken in 2020/21, respectively.
- 4.2 This is the second progress report to be received by the committee covering 2020/21 audit work. Progress on planned work has been restricted due to the Covid-19 pandemic. Audit work in some areas has been delayed allowing key officers within the Council to concentrate on the response to the pandemic. In the period to 28 February 2021 work has commenced on 11 audits, although no audits have been issued in draft at this stage. We have cancelled 2 audits from the plan following requests from service managers and these audits will be included in the 2021/21 plan of work. The remaining two audits to be completed will commence in March 2021. Continued assistance and prioritisation by officers from now until the end of April 2021 is essential to help us complete our plan of work.
- 4.3 Counter fraud work has been disrupted by the Covid-19 pandemic; however the team continues to address new and existing fraud issues for the Council. The team are currently involved in a post-payment assurance exercise, requested by central government, examining Covid-19 related payments made during the first period of

lockdown. **Annex 2** provides more detail and a summary of the work undertaken so far in 2020/21.

5.0 Recommendations

- 5.1 It is recommended that the progress on the delivery of the audit and counter fraud plans is noted.

6.0 Corporate Implications

Scrutiny Consultation	Not applicable
Community Engagement	None
Environment & Sustainability	Not applicable
Financial Implications	Failure to prevent and detect fraudulent activity will lead to additional cost to the council, and the possibility that the final accounts are not approved by the council's external auditors.
Legal Implications	There are no legal implications associated with report but the council has a duty to protect the public purse.
Risk Implications	There are no major risks associated with this report.
Human Resource Implications	None
Equalities Implications	None
Health & Safety Implications	None

7.0 Further Information

- 7.1 Background Papers – 2020/21 Internal Audit and Counter Fraud Plans
Public Sector Internal Audit Standards
Audit Charter
- 7.2 File Reference – None/Reference
- 7.3 Appendices - **Appendix 1** – Internal Audit Progress Report 2020/21
- **Appendix 2** – Counter Fraud Progress Report 2020/21

Contact Officers: Ian Morton, Assistant Director – Audit Assurance (Veritau)
Jonathan Dodsworth, Assistant Director – Counter Fraud (Veritau)

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Richmondshire District Council

Internal Audit Progress Report 2020-21

Assistant Director-

Audit Assurance:

Head of Internal Audit:

Ian Morton

Max Thomas

Circulation List:

Members of the Audit, Governance and Standards
Committee
Corporate Director & S151 Officer

Date:

30 March 2021



Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the chief audit executive (Head of Internal Audit) must report periodically to the board (Audit, Governance and Standards Committee) on performance.
- 2 Members approved the 2020/21 internal audit plan at their meeting on the 20 July 2020. This plan was amended at the meeting on 29 September 2021 as a result of the impact of the Covid pandemic. The major changes include the inclusion of 35 days to carry out Covid -19 related activities, including an initial Covid-19 fraud risk assessment, and a review of grant related payments and reliefs.

Internal Audit work performed in 2020/21

- 3 This is the second progress report to be received by the committee covering 2020/21 audit work. All work in 2020/21 continues to be carried out remotely. Audit work in some areas has been delayed to allow key officers within the Council to concentrate on the response to the pandemic.
- 4 In the period to 28 February work has commenced on 11 audits, although no audits have been issued in draft at this stage. We have cancelled 2 audits from the plan following requests from service managers and these audits will be included in the 2021/21 plan of work. The remaining two audits to be completed will commence in March 2021. These are the Council Tax and Benefits audits where there have been delays in obtaining IT access to enable the work to be carried out with minimal disruption to service staff. Continued assistance and prioritisation by officers from now until the end of April 2021 is essential to help us complete our plan of work. Details of progress against the plan is shown in appendix A below.
- 5 Veritau officers are involved in a number of other areas relevant to corporate governance including:
 - **Support to the Audit, Governance and Standards Committee;** this is mainly ongoing through our support and advice to members. We facilitate the attendance of managers to respond directly to member's questions and concerns arising from audit reports and the actions that managers are taking to implement agreed actions.
 - **Contractor Assessment;** this work involves supporting the assurance process by using financial reports obtained from Experian (credit rating agency) in order to assess the financial suitability of potential contractors.
 - **Risk Management;** Veritau advise on the Council's risk management arrangements and processes.
 - **Systems Development;** Veritau attend development group meetings in order to ensure that where there are proposed changes to processes or new ways of delivering services, that the control implications are properly considered.

Follow up of agreed actions

- 6 A total of 46 actions were agreed during 2018/19 and 2019/20 audits. Of these, 23 have been followed up with the responsible officers and have been satisfactorily implemented. Follow up is in progress for 22 actions, with revised action dates agreed for 2 actions. The remaining 1 action agreed has not yet been followed up because the target date has not yet passed. A summary of this follow up work is included below:

Action status	Total No.	Action Priority		
		1	2	3
Actions now implemented	23	0	7	16
Revised date agreed	2	0	0	2
Follow up in progress	22	0	5	17
Not yet followed up	1	0	0	1
Total agreed actions	48	0	12	36

Table of 2020/21 audit assignments to 28 February 2021

Audit	Status	Assurance Level	Audit Committee
Financial Systems			
Council Tax/NNDR			
Benefits			
Creditors	In Progress		
General Ledger	Cancelled		
Payroll	In Progress		
Regularity Audits			
Procurement	In Progress		
Food Hygiene	Cancelled		
Electoral Registration	In Progress		
Council Housing - Rents	In Progress		
Stores	In Progress		
Insurance	In Progress		
Technical/Project Audits			
ICT – Financial Management System	In Progress		
ICT – Office 365 Implementation	In Progress		
Cash Programme	In Progress		
Covid 19 Work	In Progress		

Audit Opinions and Priorities for Actions (2020/21 onwards)

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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Richmondshire District Council

Counter Fraud Progress Report 2020-21

Assistant Director – Corporate Fraud: Jonathan Dodsworth
Head of Internal Audit: Max Thomas

Circulation List: Members of the Audit, Governance and Standards
Committee
Corporate Director (S151 Officer)

Date: 30 March 2021

Background

- 1 Fraud is a significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 3 Veritau are engaged to deliver a corporate fraud service for Richmondshire District Council. A corporate fraud service aims to prevent, detect and deter fraud and related criminality affecting an organisation.

Covid-19 Grant Fraud

- 4 The Covid-19 pandemic continues to create working issues and new types of fraud for the team to address. In the final quarter of 2020/21 the counter fraud team are continuing to provide support with the council's post-payment assurance plan. Post-assurance checks on the first grant schemes are reaching their conclusion in line with government targets. This work will be supplemented by outputs from the National Fraud Initiative that will be reviewed and investigated as necessary.
- 5 Veritau are continuing to provide input with pre-payment assurance to current schemes through the sharing of national and regional intelligence as well as undertaking investigation in cases of suspected fraud.
- 6 The counter fraud team has completed five investigations of suspected fraudulent Covid-19 grant applications. Three applications were found to be valid and two were blocked. There are two ongoing investigations in this area.

Counter Fraud Performance 2020/21

- 7 Up to 28 February, the counter fraud team achieved £3.5k in savings for the council and blocked £20k of fraudulent Covid-19 grant payments. There are currently 18 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2020/21

The tables below shows the total number of fraud referrals received and summarises the outcomes of investigations completed during the year to date.

	2020/21 (As at 28/02/21)	2020/21 (Target: Full Year)	2019/20 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	48%	30%	62%
Amount of actual savings (quantifiable savings - e.g. CTS) achieved through fraud investigation in the current financial year.	£3,497	£12,000	£15,216
Amount of savings from the prevention of Covid-19 grant fraud	£20,000	n/a	n/a

Caseload figures for the period are:

	2020/21 (As at 28/02/21)	2019/20 (Full Year)
Referrals received	44	49
Referrals rejected	17	17
Number of cases under investigation	18	10 ¹
Number of investigations completed	21	21

¹ As at 31/3/20

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2020/21 National Fraud Initiative (NFI) is underway. An initial set of 549 matches have been released which cover a range of council services.</p> <p>The NFI will also conduct data matching exercises on Covid-19 grant payments to detect fraud and error, but the results of this part of the exercise have not been released yet.</p>
Fraud detection and investigation	<p>The service continues to use criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none">• Covid-19 Grants – Five Covid-19 grant applications have been investigated which resulted in two £10k payments being stopped. Three applications were found to be valid. There are two ongoing investigations.• Council Tax Reduction fraud – To date the team has received 20 referrals for suspected CTR fraud. Eight investigations have been completed in the current financial year, and fraud was detected in three cases. Two people have received warnings about their conduct. There are currently four cases under investigation.• Council Tax fraud – Eight referrals for council tax fraud have been received in 2020/21. There are currently nine cases under investigation.• Non-domestic rates fraud – Two referrals have been received in this area in 2020/21. One investigation is ongoing.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • Housing Fraud – Two cases of potential fraud have been referred in this area. One Right To Buy application was checked and found to be correct. There is one ongoing investigation into a tenancy issue. • Internal fraud – No internal fraud has been reported in the current financial year. • External fraud – Two suspected mandate fraud cases were investigated this year. Mandate fraud involves criminals attempting to change payment details for the Council’s suppliers. A loss of over £8,000 was prevented due to the vigilance of council staff.
Fraud liaison	The fraud team acts as a single point of contact for the Department for Work and Pensions for fraud issues and is responsible for providing data to support their housing benefit investigations. The team has received four requests for information to date.
Fraud Management	<p>In 2020/21 a range of activity has been undertaken to support the council’s counter fraud framework.</p> <ul style="list-style-type: none"> • The counter fraud team alerts council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year. • Throughout the Covid-19 pandemic, the counter fraud team have provided support to the Council in preparing for and administering government funded grant schemes. This has included reviewing government guidance and advising on best practice.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="465 256 2007 379">• In May, the Council's counter fraud transparency data was updated to include data on counter fraud performance in 2019/20, meeting the Council's obligation under the Local Government Transparency Code 2015.<li data-bbox="465 432 2007 555">• The Council participated in the annual CIPFA Counter Fraud and Corruption Tracker (CFaCT) survey in September 2020. The information will contribute to a CIPFA national report detailing the extent fraud against local authorities.<li data-bbox="465 608 2007 730">• In October, the counter fraud team ran a cybercrime awareness week, delivering cybercrime awareness information to council employees through a number of bulletins provided over the course of the week.<li data-bbox="465 783 2007 858">• In November, the counter fraud team raised awareness of fraud internally and amongst the general public as part of International Fraud Week.

Audit, Governance and Standards Committee

30 March 2021

INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PLANS 2021/22

Report of the Corporate Director & S151 Officer

**All Wards
Key Decision N**

1.0 Purpose of Report

- 1.1. This report seeks approval for the planned programme of internal audit work for 2021/22. The proposed plans of work for counter fraud and information governance are also provided, for information.

2.0 Decisions Sought

- 2.1 The Audit, Governance and Standards Committee is asked to approve the proposed Internal Audit Plan for 2021/22.

3.0 Link to Corporate Priorities

- 3.1 This reports links to the council priority of being a 'Fit for Purpose' council

4.0 Introduction & Background

- 4.1 The council's internal audit service (provided by Veritau) has to comply with the Public Sector Internal Audit Standards (PSIAS) and the council's own Internal Audit Charter. The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out. An indicative risk-based audit plan (or work programme) is drawn up at the start of each year, setting out what work will be done. The work programme is then regularly revisited throughout the year to ensure that it remains aligned with the Council's risk profile and priorities.
- 4.2 The work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for planned internal audit work for 2021/22.
- 4.3 In addition to internal audit, Veritau also provides the council with specialist counter fraud and information governance services. While no formal approval of these plans is required, the proposed areas of work are set out in annexes to this report for the committee's information.

5.0 2021/22 Plans

- 5.1 **Annex 1** sets out the proposed internal audit work programme for 2021/22. The programme includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme is also informed by discussions with senior officers and members, risk management arrangements, and by plans for development and change within the Council. The internal audit work programme is a flexible working document and variations may be made throughout the year to reflect changes in risk and any issues that arise. Any changes needed to the programme will be agreed with the Corporate Director & S151 Officer and reported to this committee.
- 5.2 The proposed programme of internal audit work for 2021/22 is based on a total allocation of 212 days. This is unchanged from 2020/21.
- 5.3 The plans prepared for counter fraud and information governance are included in **Annexes 2 and 3**. The content of the plans has been discussed and agreed with the relevant directors and other senior officers. A total of 90 days has been agreed for counter fraud work and 25 days for information governance support.

6.0 Recommendations

- 6.1 It is recommended that the Internal Audit Work Programme 2021/22 be approved.

7.0 Corporate Implications

Scrutiny Consultation	Not applicable
Community Engagement	None
Environment & Sustainability	Not applicable
Financial Implications	Failure to prevent and detect fraudulent activity may lead to additional costs for the council.
Legal Implications	There are no legal implications associated with the report but the council has a duty to protect the public purse.
Risk Implications	There are no major risks associated with this report.
Human Resource Implications	None
Equalities Implications	None
Health & Safety Implications	None

8.0 Further Information

- 8.1 Appendices:
Appendix 1 - Internal Audit Plan 2021/22
Appendix 2 - Counter Fraud Plan 2021/22
Appendix 3 - Information Governance Plan 2021/22

Contact Officers:

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Richmondshire District Council

Internal Audit Work Programme 2021/22

Audit Manager:
Head of Internal Audit:

Connor Munro
Max Thomas

Circulation List:

Members of the Audit, Governance &
Standards Committee
Corporate Director & S151 Officer

Date: 30 March 2021



Introduction

- 1 This report sets out the proposed 2021/22 programme of work for the internal audit service, to be provided to Richmondshire District Council by Veritau.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's audit charter. In accordance with PSIAS, internal audit work must be risk-based and take into account the requirement to produce an evidence-based annual internal audit opinion. Accordingly, planned work should be reviewed and adjusted in response to changes in the business, risks, operations, programmes, systems and internal controls.
- 3 The Head of Internal Audit's annual opinion is formed following an independent and objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council, and to produce a fully informed body of work which allows us to provide that opinion.
- 4 Responsibility for effective risk management, governance and internal control arrangements remains with the Council. The Head of Internal Audit cannot be expected to prevent or detect all weaknesses or failures in internal control nor can audit work cover all areas of risk across the organisation.

Approach

- 5 There is currently a significant amount of uncertainty for Richmondshire District Council arising from the environment in which it operates. The impact of Covid-19 on all aspects of the Council, the socioeconomic and regulatory uncertainty for post-Brexit UK, and the significant potential impact of Local Government Reorganisation are just three reasons why it is difficult to accurately predict key organisational risks for 2021/22. Risks relating to these issues, and the actions needed to manage and mitigate them, are likely to change and evolve over the next 12 months.
- 6 To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This helps to ensure that internal audit work undertaken during the year is adapted on an ongoing basis to reflect changing and emerging risks within the Council.
- 7 The work programme for 2021/22 represents a summary of the overall areas where we expect to undertake work over the next year, based on our current assessment of risk. This assessment involves giving careful consideration to:
 - where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential;
 - areas of known concern, where a review of risks and controls will add value to operations;

- areas of significant change which may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment, for example where the reduction in resources may result in fewer controls.

Despite the significant uncertainties facing the Council, the areas listed above remain the core principles and appropriate criteria in identifying and prioritising areas for internal audit attention.

- 8 The identification of risks included in the assessment has been informed in several ways. This includes review of the organisational risk management processes, sector-wide risk information, understanding the Council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in Council services and systems. The proposed areas of coverage have been subject to consultation with Senior Management Team.
- 9 In delivering the programme we will prioritise work in the short term and regularly review and update its content (i.e., to reflect the actual work to be undertaken) on an ongoing basis throughout the year.
- 10 We will also regularly discuss the scope and timings of work with officers and management to help ensure that we provide assurance in the right areas and at the right time. Further meetings will be held in April to plan and confirm the scope and timings of some 2021 work. We will also provide regular updates to the Audit, Governance and Standards Committee throughout 2021/22 on the coverage, scope and findings of our work.
- 11 Where possible, internal audit work during 2021/22 will include shorter, more focussed assignments and an increased use of data analytics to support the provision of continuous assurance to the Council.

2021/22 Internal audit work programme

- 12 The proposed areas of audit coverage are based on a total commitment of 212 days and are included in the work programme at appendix A.
- 13 These areas have been identified on the basis of a risk assessment process discussed earlier in this report. The programme is designed so as to ensure that limited audit resources are prioritised towards those areas which are considered to carry the most risk or which contribute the most to the achievement of the Council's strategic priorities and objectives.
- 14 The plan has been structured into several sections:
- **Strategic risks / Corporate & cross cutting;** to provide assurance on areas which, by virtue of their importance to good governance and stewardship, are fundamental to the ongoing success of the Council.
 - **Fundamental / material systems;** to provide assurance on the key areas of financial risk. This helps support the work of the external auditors and provides assurance to the Council that risks of loss are minimised.

- **Operational / regularity**; to provide assurance on key systems and processes within individual service areas. These areas face risks which are individually significant, but which could also have the potential to impact more widely on the operations or reputation of the Council if they were to materialise.
- **Technical / projects**; to provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the Council as the risks involved could detrimentally affect the delivery of services.
- **Other audit assurance areas**; an allocation of time to allow for continuous audit planning and information gathering, unexpected work, and the follow up of work we have already carried out, ensuring that agreed actions have been implemented by management.
- **Client support, advice & liaison**; work we carry out to support the Council in its functions. This includes the time spent providing support and advice and liaising with staff.

- 15 It is important to emphasise two important aspects of the programme. Firstly, the audit areas included in this draft programme are not fixed. Work will be kept under review to ensure that audit resources continue to be deployed in the areas of greatest risk and importance to the Council.
- 16 Secondly, it will not be possible to deliver all of the audits in the programme. The programme has been oversubscribed to a small degree so as to build in flexibility from the outset and to provide an indication of the priorities at the time of our risk assessment. This is so that, if risks and priorities do change during the year, we can respond quickly by commencing work in other areas of importance to the Council.
- 17 The prioritisation and scoping of work will continue to be discussed regularly with officers, and relevant changes to the programme will be agreed with the Corporate Director & S151 Officer and notified to this committee.

Draft Internal Audit Work Programme 2021/22

Area	Days	Potential audits / activity
Strategic risks / Corporate & cross cutting	80	<p>Organisational development (including support for possible LGR preparations, Covid-19 recovery)</p> <p>Health and safety (e.g. post-pandemic working arrangements, service risk assessments, accident and incident reporting, staff wellbeing)</p> <p>Performance management and data quality</p> <p>Medium term financial planning and the CIPFA Financial Management Code</p> <p>Information governance and data protection (e.g., DPIAs)</p> <p>Member training and development (e.g., PDPs)</p> <p>Procurement and contract management</p> <p>Climate change</p>
Fundamental / material systems	50	<p>Council Tax / NNDR (including review of Covid-19 related grants)</p> <p>CTRS and benefits</p> <p>Debt management / income collection (including enforcement practices)</p> <p>General ledger</p>
Operational / regularity	20	<p>Homelessness / housing options</p> <p>Environmental health (e.g., food safety inspections)</p>
Technical / projects	26	<p>Cybersecurity</p> <p>IT information security</p> <p>CASH Programme</p>
TOTAL	176	

Other audit assurance areas

Area	Days	Activity
Ongoing assurance	6	Continuous audit planning and assurance gathering to support annual opinion
Follow up of management actions	6	Follow-up of previously agreed management actions
TOTAL	12	

Client support, advice & liaison

Area	Days	Activity
Client and committee related support, advice and liaison	24	Committee preparation and attendance Client liaison, support, and advice External audit liaison Member and officer training Financial appraisals Contingency
TOTAL	24	
OVERALL PROGRAMME	212	



Richmondshire District Council

Counter Fraud Plan 2021/22

**Assistant Director – Corporate Fraud:
Head of Internal Audit:**

Jonathan Dodsworth
Max Thomas

Circulation List:

Members of the Audit, Governance &
Standards Committee
Corporate Director (S151 Officer)

Date:

30 March 2021



Introduction

- 1 Veritau undertakes counter fraud work on behalf of Richmondshire District Council. This document summarises the agreed areas of counter fraud work for 2021/22.
- 2 The Counter Fraud Plan is based on an estimate of the amount of resource required to provide the range of counter fraud activities required by the council. A total of 90 days of counter fraud work has been agreed for 2021/22.

2021/22 Counter Fraud Plan

- 3 A summary of planned areas of work is set out in the table below.

Fraud Area	Days	Scope
Counter Fraud General	10	Monitoring changes to regulations and guidance, review of counter fraud risks, and support to the council with maintenance of the counter fraud framework. This will include completion of the annual counter fraud risk assessment and review of the counter fraud policy and strategy.
Proactive Work	15	This includes: <ul style="list-style-type: none">• raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues.• targeted proactive counter fraud work - for example through local and regional data matching exercises.• support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.
Reactive Investigations	35	Investigation of suspected fraud affecting the council. This includes feedback on any changes needed to procedures to prevent fraud recurring.
Covid-19 response work	10	Undertake post assurance activities and investigation of potential fraud highlighted through this work. Assisting the council to recover money lost to fraud through grants.
National Fraud Initiative (NFI)	15	Coordinating submission of data to the Cabinet Office for the NFI national fraud data matching programme and investigation of subsequent matches.
Fraud Liaison	5	Acting as a single point of contact for the Department for Work and Pensions, to provide data to support their housing benefit investigations.



Richmondshire District Council

Information Governance Plan 2021/22

Information Governance Manager:
Head of Internal Audit:

Kirsty Bewick
Max Thomas

Circulation List:

Members of the Audit, Governance
& Standards Committee
Corporate Director (S151 Officer)

Date:

30 March 2021



Introduction

- 1 Veritau undertakes information governance work on behalf of Richmondshire District Council. Veritau is also the Council's appointed statutory Data Protection Officer which involves the carrying out of specific functions. The service helps to ensure the Council complies with all relevant legislation, including the UK-General Data Protection Regulation (UK-GDPR) and Data Protection Act 2018. This document summarises the agreed areas of work for 2021/22.
- 2 The Information Governance Plan is based on an estimate of the amount of resource required to provide the range of activities required by the Council. A total of 25 days of information governance work has been agreed for 2021/22.

2021/22 Information Governance Plan

- 3 The following table provides an indicative allocation of time across each element of the service:

Area	Days	Scope
Data Protection Officer Role	5	Monitoring compliance with the Council's policy framework and data protection legislation as Data Protection Officer. This also includes liaising with the UK Information Governance regulator: the Information Commissioner's Office (ICO) and with data subjects who have concerns with how their data is being processed.
Information Governance Strategy and Support	15	Developing the Council's policy framework, advising on the implementation of new information governance processes and supporting service area projects with information governance consultations.
Provision of Advice and Training	5	The provision of advice and guidance on all information governance related matters. Supporting service managers by providing specific information governance training sessions to officers.

2021/22 Information Governance Strategic Objectives

- 4 The following strategy objectives will be delivered by Veritau in 2021/22.

Information Asset Management

- 5 As part of the work on developing the Council's information asset register a comprehensive list of other data controllers who may receive data from the Council has been compiled. Veritau will work with service managers to ensure that data sharing arrangements are formalised through information sharing agreements as per the requirements of the North Yorkshire Information Sharing Protocol, which the Council is a signatory to.
- 6 A process map detailing how this work will be undertaken can be found in appendix 1 of this report.

Law Enforcement

- 7 Veritau will continue to review all law enforcement activity for the collection of personal information to ensure all detail has been captured as part of the information asset register and that privacy notices are updated.

Privacy Notice Review

- 8 Having conducted a review in 2020/21, Veritau will ensure that all privacy notices are now updated.

Policy Review

- 9 Having conducted a review in 2020/21, Veritau will work with Richmondshire District Council to implement new information governance policies and update current policies.

2021/22 Information Governance Training Provision

- 10 The following information governance themes will be covered by specific Veritau delivered training in 2021/22:

Data Protection Impact Assessments

- 11 Delegates will be introduced to the concept of data protection impact assessments, a now mandatory tool to identify risk, including their purpose and the various aspects that need to be included. The delegates will work through an example DPIA which will provide the opportunity to learn how to complete a DPIA and ask any relevant questions.

Law Enforcement

- 12 Delegates will be introduced to part three of the Data Protection Act 2018. This will help develop an understanding of the key differences between law enforcement and UK-GDPR and their obligations.

- 13 Additional information governance themes will be available to Richmondshire District Council to book if required in 2021/22:

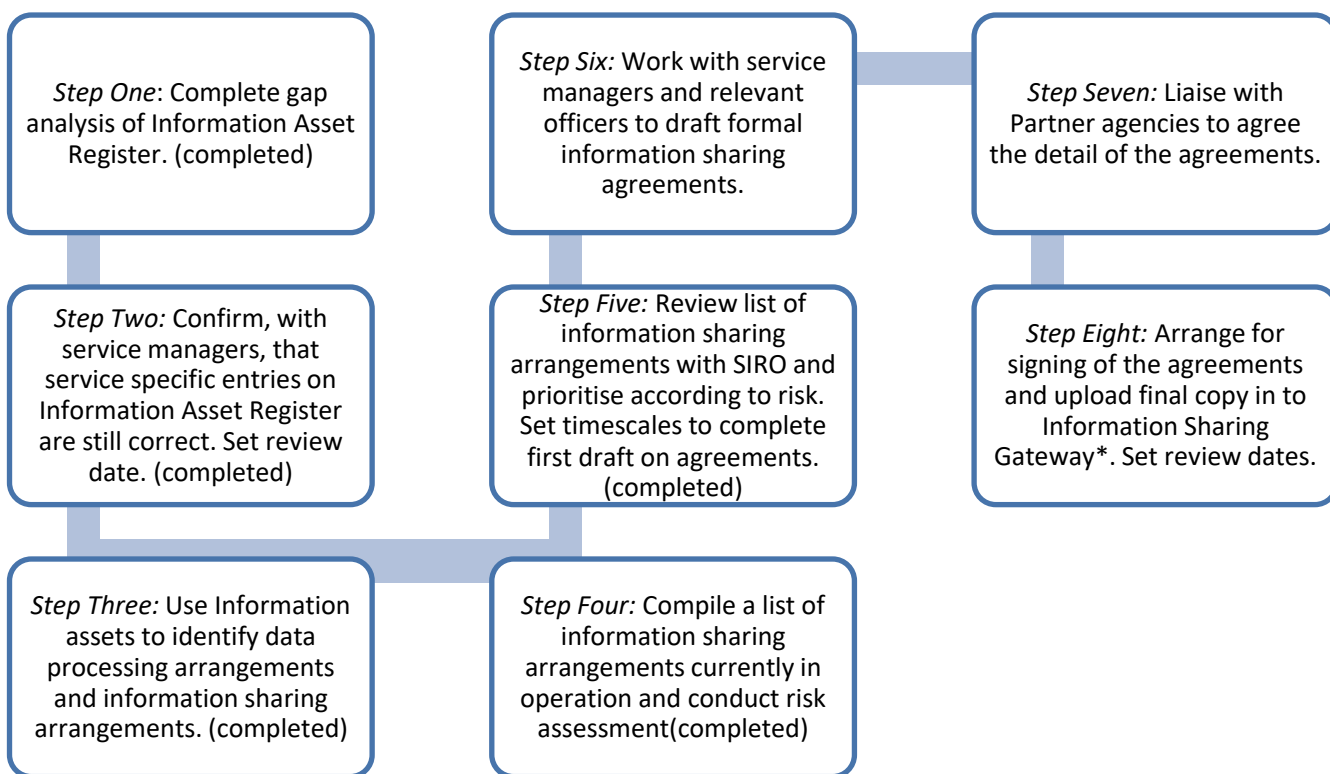
Records Management

- 14 Delegates will be introduced to Records Management concepts and tools including: the Records Lifecycle, benefits of Records Management, file plans, email management, retention and Information Asset Registers.

Data Protection Rights and Principles

- 15 Delegates will have the data protection principles explained in detail and will be introduced to specific rights that service users have in relation to their personal data. This workshop will give delegates practical knowledge which can be applied to their day-to-day work.

Appendix 1: Process Map detailing development of Information Sharing Agreements across the Council.



* The 'Information Sharing Gateway' is an online framework to support information sharing across a number of organisations. A number of organisations in North Yorkshire are working together to use the gateway to integrate their depositories of information sharing agreements and create a detailed information flow map across the County.

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Richmondshire District Council

Annual Audit Letter for the year
ended 31 March 2020

March 2021

43

EY

Building a better
working world

Agenda Item 9

Contents

		Page
Section 1	Executive Summary	3
Section 2	Purpose and Responsibilities	7
Section 3	Financial Statement Audit	9
Section 4	Value for Money	12
Section 5	Other Reporting Issues	14
Section 6	Focused on your future	16
Section 7	Audit Fees	18

4

Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



Section 1

Executive Summary

45

Executive Summary

We are required to issue an annual audit letter to Richmondshire District Council (the Council) following completion of our audit procedures for the year ended 31 March 2020. Covid-19 had an impact on a number of aspects of our 2019/20 audit. We set out these key impacts below.

Area of impact	Commentary
Impact on the delivery of the audit	
▶ Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 No. 404, came into force on 30 April 2020. This announced a change to publication date for financial statements from 31 July to 30 November 2020 for all relevant authorities.
Impact on our risk assessment	
▶ Valuation of Property Plant and Equipment	The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats relating to material uncertainty were included in the year-end valuation reports produced by the Council's external valuer. We considered that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment.
46 ▶ Going Concern and the impact of Covid-19	We considered the unpredictability of the current environment gave rise to a risk that the council would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Council's actual year end financial position and performance.
▶ Adoption of IFRS16	The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2021. The Council were therefore no longer required to undertake an impact assessment and relevant disclosure in the 2019/20 financial statements. We therefore no longer considered this to be an area of audit focus for 2019/20.
Impact on the scope of our audit	
▶ Information Produced by the Entity (IPE)	We identified an increased risk regarding the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We address this risk we: <ul style="list-style-type: none"> ▶ Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and ▶ Agreed IPE to scanned documents or other system screenshots.
▶ Consultation requirements	There were additional EY consultation requirements concerning the impact of Covid-19 on auditor reports.

Executive Summary (cont'd)

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	
▶ Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2020 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts
▶ Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources

47

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council
▶ Public interest report	We had no matters to report in the public interest
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report

Executive Summary (cont'd)

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council was below the testing threshold and we therefore had no matters to report.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued in November 2020
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 9 December 2020

48

Fees

In our Audit Results Report we indicated that we had carried out additional work as a result of impact of Covid-19 that necessitated an additional audit fee. We have quantified the proposed final fee in Section 7 of this letter. The proposed fee remains subject to approval of PSAA.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.



Hassan Rohimun
Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities

49



Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2019/20 Audit Results Report to the November 2020 Audit, Governance and Standards Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2020 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2019/20 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

The Council is below the specified audit threshold of £500m. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit

51



Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 9 December 2020.

Our detailed findings were reported to the November 2020 Audit, Governance and Standards Committee. The key issues identified as part of our audit were as follows:

Significant Risks	Conclusion
Misstatements due to fraud or error	We did not identify any matters to report to the Audit, Governance and Standards Committee.
Risk of fraud in revenue and expenditure recognition	Our testing did not identify any material misstatements from revenue and expenditure recognition. We identified one judgment made by management in relation to the appeal from the Ministry of Defence to the Catterick Garrison site that was included in the outstanding appeals list provided by the Valuation Office Agency (VOA). Whilst a request was made the Council did not receive confirmation from the VOA to check it was correct to be included. Management decided to recognise a provision of £0.5m. Based on the results of our testing we were satisfied with the provision made.

Other Key Findings	Conclusion
Valuation of Land and Buildings and Investment Properties	Based on the procedures performed we were satisfied that the property valuations in the Council's financial statements were materially correct
Pension liability valuation	We had no matters to report to the Audit, Governance and Standards Committee.
Going concern and the impact of Covid-19	The Council assessed the impact of Covid-19 on its income, expenditure, cash and reserves position into 2020/21 and 2021/22 and made appropriate disclosure in the statements.

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £0.49m (2% of Gross Expenditure on provision of services) and performance materiality to be £0.368m (75% of planning materiality).
Reporting threshold	We agreed with the Audit, Governance and Standards Committee that we would report to the Committee all audit differences in excess of £0.024m.

Section 4

Value for Money



Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider NHS bodies' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

We did not identify any significant risks in relation to these criteria.

We performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 9 December 2020.



A photograph of a business meeting in progress. Several people are seated around a dark wooden conference table, looking at documents. A woman with blonde hair is in the foreground, resting her chin on her hand and looking intently at the papers. Other participants are visible in the background, some standing and some seated. The scene is brightly lit, suggesting a modern office environment.

Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures specified by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. The Council is below the specified audit threshold of £500m. Therefore, we were not required to perform any audit procedures on the consolidation pack. We had no matters to report.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading. We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public. We did not identify any issues which required us to issue a report in the public interest.

57

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Audit, Governance and Standards Committee in November 2020. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit. We have adopted a fully substantive audit approach and have therefore not tested the operation of controls.

Section 6

Focused on your future



Focused on your future

The NAO has a new Code of Audit Practice for 2020/21. The impact on the Council is summarised in the table below:

Council responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes providing a commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against

specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- ▶ Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- ▶ Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- ▶ Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Section 7

Audit Fees

09

Audit Fees

Following communications to the Audit, Governance and Standards Committee on the changes and challenges impacting the audit profession, in November 2020 we communicated to Management our view of the inadequacy of the current scale fee to enable us to deliver a quality audit in accordance with the NAO Code. In our view the scale fee should be increased by £22,612 for the Council and we provided details supporting our rationale. At the same time we opened dialogue with PSAA on our view of scale fees nationally and shared with them proposed revisions for all our local government audited bodies. We include our proposed increase to the scale fee in the tables below. We include our proposed revision to the scale fee in the table below.

In addition, in the Audit Results Report we indicated that we had carried out additional work as a result of the impact of Covid-19 that necessitated an additional audit fee. We have now quantified the proposed fee which provides breakdown of both agreed and unagreed fees with Management. The agreed additional fees will require PSAA approval and the unagreed fees will require PSAA determination.

61

Description	Final Fee 2018/19 £	Final Fee 2019/20 £
Scale Fee - Code work	29,734	29,734
Additional work:		
• Implementation of new accounting standards & additional work on IAS19 pension liability	1,161	N/A
• Going concern	N/A	2,700
• Reassessment of valuation of risk impacted by Covid-19	N/A	1,300
• Additional consultation requirements.	N/A	3,500
• Asset valuations impacted by Covid-19	N/A	5,850
Total agreed audit fees	30,895	43,084
• Rebasing of the scale fee to deliver an audit to meet regulatory requirements (not agreed)	N/A	22,612
• Additional fees relating to remote working and risk assessment (not agreed)	N/A	3,100
Total audit fees	30,895	68,796
Non-audit work - Housing Benefit Certification	11,750	18,470
Total fees	42,645	87,266

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2020/21 Auditor work on VFM
arrangements -

February 2021

63

Background

The Local Audit and Accountability Act 2014 (the Act) makes the National Audit Office's (NAO) Comptroller and Auditor General responsible for the preparation, publication and maintenance of the Code of Audit Practice (the Code). The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. Local auditors must comply with the Code of Audit Practice. The Code must be reviewed at least every five years, so the Code that applies will depend on the financial year being audited.

For audits of financial years from 2020-21 onwards, the 2020 Code of Audit Practice applies. The new Code came into force on 1 April 2020, after being approved by Parliament. It was developed following a consultation process in 2019. The Code will therefore apply to the audit of the Authority from 2020/21 and replace the 2015 Code which preceded it.

The new Code has introduced changes to the approach we are required to take to issue our judgement on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources – the statutory judgement on Value for Money (VFM) arrangements that forms part of our annual audit report.

The purpose of this paper is to provide a high level overview of some of the key changes in the new Code as they relate to our VFM approach at the Authority. At the time of writing there remains some further work to do, in discussion with the NAO, to fully understand the implications of the changes and their impact on our programme of work. We will also need to consider the continuing impact of Covid-19 on local public bodies and auditors as it pertains to our VFM responsibilities.

Auditor responsibilities under the new Code of Audit Practice

Under the 2020 Code of Audit Practice we are still required to consider whether an authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer an overall evaluation criterion on which we need to conclude. Where auditors identify a significant weakness in proper arrangements, we are required to report by exception within the audit report on the statement of accounts. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Authority's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Authority's arrangements, we are required to consider:

- The Authority's Annual Governance Statement
- Evidence that the Authority's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates and other bodies; and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes – or could reasonably be expected to expose – the Authority to significant financial loss or risk;
- Leads to – or could reasonably be expected to lead to – significant impact on the quality or effectiveness of service or on the Authority's reputation;
- Leads to – or could reasonably be expected to lead to – unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Authority;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Authority's reported performance;
- Whether the issue has been identified by the Authority's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;

Planning and identifying VFM risks (contd)

- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Authority has had to respond to the issue.

Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

The new Code promotes more timely reporting by auditors. So where we have sufficient evidence to determine that there is a significant weakness on VFM related arrangements we can report that weakness, and an associated recommendation for improvement, at that time and not wait until we are issuing our Audit Results Report on the audit of the statement of accounts.

Summary of changes in VFM requirements between the 2015 and 2020 Codes of Audit Practice

We set out a summary of key changes in VFM requirements between the 2015 and 2020 Codes in tabular form over-page.

2015 Code requirement

Overall requirement

For auditors to satisfy themselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Design of work

The auditor's work should be designed to provide the auditor with sufficient assurance to enable them to report by exception if the auditor concludes that they are not satisfied that the audited body has put in place proper arrangements to secure value for money in the use of its resources for the relevant period.

Where required, the auditor should report their conclusion on the audited body's arrangements having regard to specific reporting criteria.

Assurance given

In carrying out this work, the auditor is not required to satisfy themselves that the audited body has achieved value for money during the reporting period.

Other sources of relevant information

Auditors need to consider:

- The audited body's governance statement
- Evidence that the audited body's arrangements were in place during the reporting period;
- Evidence obtained from the auditor's other work
- The work of inspectorates and other bodies and
- Any other evidence source that the auditor regards as necessary to facilitate the performance of their statutory duties

2020 Code requirement

Overall requirement

No change in requirement.

Design of work

The auditor's work should be designed to provide the auditor with sufficient assurance to enable them to report to the audited body a commentary against the specified reporting criteria on the arrangements the body has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

Where the auditor is not satisfied in respect of arrangements to secure value for money, they should refer to this by exception in their audit report on the financial statements.

Assurance given

No change in requirement. Our work remains arrangements based.

Other sources of relevant information

No change in requirement.

2015 Code requirement

Quantum of work

Determining how much work to do on arrangements to secure value for money is a matter of auditor judgement.

Reporting criteria

The NAO's supporting Auditor Guidance Note 3 defines proper arrangements as:

1. Informed decision making
 - Acting in the public interest, through demonstrating and applying the principles and values of sound governance
 - Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management
 - Reliable and timely financial reporting that supports the delivery of strategic priorities
 - Managing risks effectively and maintaining a sound system of internal control
2. Sustainable resource deployment
 - Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions
 - Managing and utilising assets effectively to support the delivery of strategic priorities
 - Planning, organising and developing the workforce effectively to deliver strategic priorities
3. Working with partners and other third parties
 - Working with third parties effectively to deliver strategic priorities
 - Commissioning services effectively to support the delivery of strategic priorities
 - Procuring supplies and services effectively to support the delivery of strategic priorities

2020 Code requirement

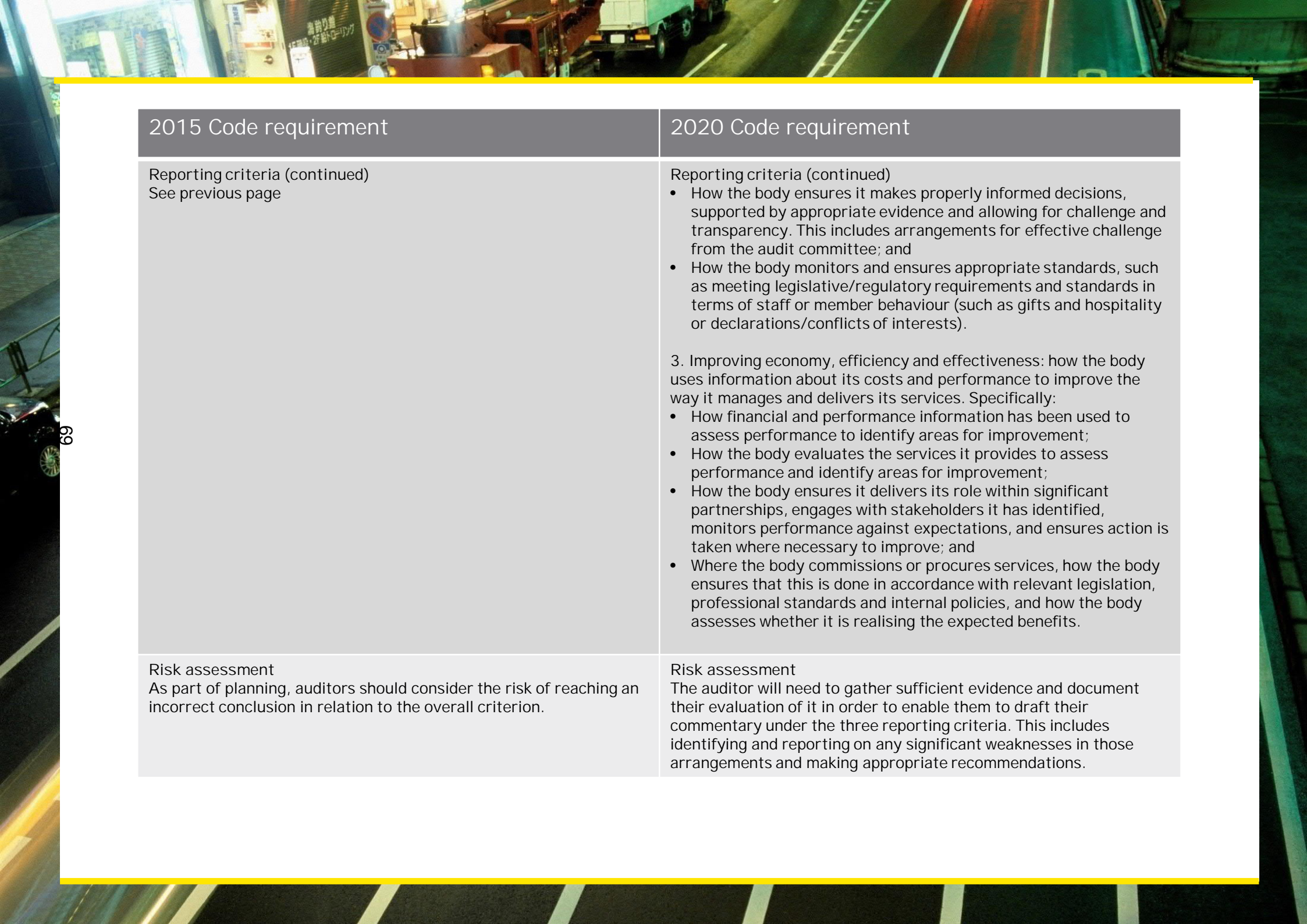
Quantum of work

Determining how much work to do on arrangements to secure value for money remains a matter of auditor judgement, but we expect the enhanced risk assessment process and reporting requirements to require more time to be input.

Reporting criteria

The Code specifies that auditors need to focus on these reporting criteria:

1. Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services.
Specifically:
 - How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
 - How the body plans to bridge its funding gaps and identifies achievable savings;
 - How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
 - How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
 - how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.
2. Governance: how the body ensures that it makes informed decisions and properly manages its risks. Specifically:
 - How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
 - How the body approaches and carries out its annual budget setting process;



2015 Code requirement	2020 Code requirement
<p>Reporting criteria (continued) See previous page</p>	<p>Reporting criteria (continued)</p> <ul style="list-style-type: none">• How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from the audit committee; and• How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff or member behaviour (such as gifts and hospitality or declarations/conflicts of interests). <p>3. Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services. Specifically:</p> <ul style="list-style-type: none">• How financial and performance information has been used to assess performance to identify areas for improvement;• How the body evaluates the services it provides to assess performance and identify areas for improvement;• How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and• Where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.
<p>Risk assessment As part of planning, auditors should consider the risk of reaching an incorrect conclusion in relation to the overall criterion.</p>	<p>Risk assessment The auditor will need to gather sufficient evidence and document their evaluation of it in order to enable them to draft their commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.</p>

2015 Code requirement

Reporting

The auditor should report to the audit committee the results of their work.

The Annual Audit Letter should provide a clear, readily understandable commentary on the results of the auditor's work and highlight any issues that the auditor wishes to draw to the attention of the public.

2020 Code requirement

Reporting

Auditors are required to report in a commentary each year under the specified reporting criteria and the Code expects that where auditors identify significant weaknesses in arrangements as part of their work, they will raise them promptly with the audit committee.

The auditor's annual report should bring together all of the auditor's work over the year. A core element of the report will be the commentary in accordance with the specified reporting criteria.

The commentary should be clear, readily understandable and highlight any issues that the auditor wishes to draw to the attention of the body or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

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
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Audit, Governance and Standards Committee

30 March 2021

WHISTLEBLOWERS POLICY UPDATE

Report of Corporate Director, Resources (s151 Officer)

All Wards
Key Decision = N

1.0 Purpose of Report

1.1 This report presents a proposed update to the Whistle-blowers Policy for Members' consideration.

2.0 Decisions Sought.

2.1 The Audit, Governance and Standards Committee is asked to approve the updated Whistle-blowers Policy.

3.0 Link to Corporate Priorities

3.1 This reports links to the council priority of being a 'Fit for Purpose' council.

4.0 Background

4.1 The Whistle-blowers policy has been in existence for a number of years and was last updated in 2017.

4.2 The Council has used the policy on several occasions since that time and legislation and good practice have also developed. The policy previously was part of the Counter fraud strategy and this has caused some confusion and concern amongst members of staff.

4.3 As a result, it was felt appropriate to update the policy and make it as a standalone document for staff and customers to use. A draft of the updated policy is attached at **Appendix 1** for Members to consider. This has been drafted with input from Veritau and considering recent usage and Richmondshire knowledge.

5.0 Recommendation

5.1 Members approve the updated counter fraud and corruption strategy action plan

6.0 Corporate Implications

Scrutiny Consultation	Not applicable
Community Engagement	None
Environment & Sustainability	Not applicable

Financial Implications	Failure to prevent and detect fraudulent activity will lead to additional cost to the council, and the possibility that the final accounts are not approved by the council's external auditors.
Legal Implications	There are no legal implications associated with report but the council has a duty to protect the public purse.
Risk Implications	There are no major risks associated with this report.
Human Resource Implications	None
Equalities Implications	None
Health & Safety Implications	None

7.0 Further Information

7.1 Background Papers – None

7.2 File References – None

7.3 Appendices - **Appendix 1** – Draft Whistle-blowers policy

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WHISTLEBLOWING POLICY

1.0 INTRODUCTION

- 1.1 Richmondshire District Council is committed to achieving high standards of integrity and accountability. This policy provides a framework for employees and contractors, to raise concerns which they believe are in the public interest and may relate to illegal, improper, or unethical conduct. The whistleblowing policy forms part of the council's overall counter fraud framework. There are different mechanisms for members of the public or others with concerns to report them to the council, for example through the counter fraud hotline or complaints procedures. Whilst many of the principles covered in the whistleblowing policy relate to any report of wrongdoing at the council, this policy is designed solely for the use of employees and contractors.
- 1.2 The council tries to create an open environment in which employees and those working on behalf of Richmondshire District Council are encouraged to raise issues with the confidence that they will be acted upon appropriately. Our message to employees is straightforward - if in doubt, raise it!
- 1.3 The Public Interest Disclosure Act 1998 (PIDA) protects employees against detrimental treatment or dismissal because of any disclosure of information in the interests of the public. This policy is designed to conform to legislation¹ as well as guidance from the government and relevant bodies².
- 1.4 This policy should be used where there are concerns about consequences for other employees or the public and does not apply to matters relating exclusively to one's own employment.
- 1.5 A guide for managers or other employees on how to proceed if they receive a whistleblowing report is contained in Appendix A of this policy.

2.0 AIMS AND SCOPE OF THE POLICY

2.1 The policy aims to:

- encourage employees to raise any serious concerns they have about their workplace or working practices;
- ensure that employees get a response to their concerns and that they are aware of how to pursue them if they are not satisfied with any action or inaction; and

¹ PIDA 1998 was updated by the Enterprise and Regulatory Reform Act 2013.

² Whistleblowing guidance has been issued by the Department for Business, Energy & Industrial Strategy, the National Audit Office and the charity, Public Concern at Work.

- assure employees that if they raise any concerns in the public interest then action will be taken to protect them from possible reprisals or victimisation.
- 2.2 This policy applies to any person working for the council. This includes both permanent and temporary staff, and also covers agency personnel and staff seconded to or from a third party. Contractors working for the council may also use the provisions of this policy to make the Council aware of any relevant concerns.
- 2.3 Protection under PIDA may not apply to job applicants, self-employed workers, or volunteers, however concerns can still be reported through whistleblowing channels. If you are unclear as to whether PIDA relates to your role at the council then please consult with the human resources department.
- 2.4 Set out below is a list of circumstances that should be reported through this policy and qualify for protection under legislation:
- a) a criminal offence has been committed, is being committed, or may be committed, e.g. corruption, theft, or fraud³;
 - b) a person has failed, is failing, or may fail to comply with any legal obligation to which they are subject, e.g. breach of any statutory Code of Practice;
 - c) a miscarriage of justice has occurred, is occurring, or may occur;
 - d) the health or safety of any individual has been, is being, or may be endangered, e.g. abuse of any vulnerable adult or child;
 - e) the environment has been, is being, or may be damaged; or
 - f) information tending to show any matter falling within any of the above categories has been, is being, or may be deliberately concealed, e.g. failure to take reasonable steps to report or resolve any situation which is likely to cause significant financial loss to the council.
- 2.5 This whistleblowing policy is intended for people to raise concerns that are in the public interest and where the interests of others or of the organisation itself are at risk. It is intended to supplement, rather than to replace, other employment procedures whereby employees of the council may already raise complaints or matters of genuine concern relating to their own employment.

³ If clarification is required as to whether an issue constitutes a criminal offence or comes under any other section on this list then employees and contractors can contact Veritau for advice.

3.0 SAFEGUARDS

- 3.1 The council recognises that the decision to report a concern can be a difficult one to make. In many cases it is employees who are most likely to be in the best position to learn of any malpractice or wrongdoing within the council and to identify something which falls below the standards which the council and the public are entitled to expect. The council is grateful to all employees who report their concerns.
- 3.2 Employees should have nothing to fear by reporting their concerns, if what they are reporting is true (or they honestly believe the information is true even if it is later found out to be incorrect). No action will be taken against anyone genuinely reporting a concern.
- 3.3 Deliberately providing false or misleading information however is a serious matter which may result in action being taken under the council's disciplinary policy. Equally, deterring another employee from reporting their concerns is a serious matter and also may result in disciplinary action.
- 3.4 The council will not tolerate the harassment or victimisation of anyone who has raised a concern. However, it is recognised that an individual may nonetheless want to raise a concern in confidence under this policy. If a member of staff asks the council to protect their anonymity, efforts will be taken to protect their identity from being disclosed. If a situation arises where a concern cannot be resolved without revealing their identity (for instance, because evidence is needed in court or will be revealed as part of a subsequent investigation) this will be fully discussed with the employee in question.
- 3.5 The policy encourages employees to put their names to allegations. Concerns expressed anonymously will still be considered by the council, however complaints of this type can be harder to substantiate and therefore have to be treated with a degree of caution. It will also not be possible provide feedback to the member of staff reporting the concern during or following any investigation. Anonymous reports are preferred to silence however.

4.0 HOW TO RAISE A CONCERN

- 4.1 Whistle-blowers should normally raise concerns with their immediate line manager. However, if it is believed that their line manager is involved in the malpractice being reported or has failed to take appropriate action when the matter has been raised previously, then their concern should be raised with their Director, Contractors should report concerns to their contract manager.

- 4.2 It is, however, appreciated that there may be times when whistle-blowers, including contractors, feel unable to use the above procedure; the issue may involve line managers and senior officers or the issue was already raised through the normal channels but had not been addressed or resolved. In these cases, they can contact the council's independent whistleblowing hotline on 0800 9179 247, which is overseen by Veritau.
- 4.3 If anonymous concerns are raised through social media then they will be considered under the more general counter fraud framework or complaints policy unless it is beyond doubt that the person raising the concern is an employee or contractor of the council.

5.0 HOW THE COUNCIL WILL RESPOND

- 5.1 All whistleblowing reports will be carefully considered, and initial enquiries will be made to help decide whether an investigation is appropriate, and if so what form it should take.
- 5.2 The council will aim to acknowledge all whistleblowing reports within two working days. The officer(s) assigned to carry out the whistleblowing investigation will endeavour to write or speak to the whistle-blower promptly to provide additional information on how the investigation will progress.
- 5.3 Officers assigned to investigate a whistleblowing report will be determined by the nature of the report, e.g., safety issues could be investigated by the Health & Safety Team, alleged fraud or criminality by the Counter Fraud Team, employment issues by a manager from another service with support from Human Resources.
- 5.4 The amount of contact between the officers considering the issues and the whistle-blower will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, further information may be sought from the whistle-blower.
- 5.5 If a face-to-face meeting is necessary or desirable the whistle-blower has the right, if they so wish, to be accompanied by a Union representative or a colleague who is not involved in work to which the concern relates.
- 5.6 The council will, as far as it is able, take steps to minimise any difficulties that the whistle-blower may experience because of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the council will, where appropriate and as far as it is able to do so, provide advice about the process.
- 5.7 The council accepts the whistle-blower needs to be assured that the matter has been addressed. Thus, subject to any legal constraints, e.g. data

protection, information about the outcomes of any investigations will be provided.

- 5.8 All whistleblowing reports will be logged centrally. The Chief Executive (head of paid service), Section 151 Officer and Monitoring Officer will be notified of relevant whistleblowing reports.

6.0 HOW MATTERS CAN BE TAKEN FURTHER

- 6.1 This policy is intended to provide staff with an appropriate avenue to raise concerns within the council. If employees have reported concerns in accordance with the council's whistleblowing policy but are not satisfied that the issues have been properly addressed, then they may contact:

- the council's External Auditor – Ernst & Young⁴;
- relevant professional bodies or regulatory organisations⁵, for example, the Information Commissioner's Office, the Health and Safety Executive.

- 6.2 Disclosure of a concern to a non-prescribed body (e.g., newspapers or social media) is not covered by whistleblowing legislation and the protections it offers. Before undertaking this type of action, it is recommended that staff seek specialist advice.

7.0 INDEPENDENT ADVICE

- 7.1 Free confidential advice on how to raise a concern about malpractice at work can be sought from the independent charity Protect on 020 3117 2520, at www.protect-advice.org.uk. Their legal advisers can give you free confidential advice at any stage about how to raise a concern about serious malpractice at work.

8.0 GENERAL DATA PROTECTION

- 8.1 When managing whistleblowing reports, the council processes personal data collected in accordance with its Information Governance policies. Data collected from the point at which a report is made is held securely and accessed by, and disclosed to, individuals only for the purposes of managing and investigating the concern raised.

⁴ Ernst & Young act as the council's external auditor (see www.ey.co.uk for further details).

⁵ The Department for Business, Innovations and Skills maintains a list of prescribed persons and organisations who may be contacted, www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies.

9.0 REVIEW OF THE POLICY

9.1 The Policy will be reviewed at least every three years or when significant changes to whistleblowing legislation, the organisation or case law occurs.



Managers Guidance on Whistleblowing

1.0 **Introduction**

- 1.1 The Council's whistleblowing policy is designed to encourage and support employees and contractors in expressing their concerns about the workplace.
- 1.2 All Council employees in managerial or supervisory positions are expected to take employee concerns seriously and follow the process set out in this guidance.

2.0 **What is a whistleblowing complaint?**

- 2.1 Any concern about working practices or malpractice that is reported in confidence should be considered under the whistleblowing policy. It is not necessary for a member of staff or contractor to use the term "whistleblowing" in order for a report to be considered under the policy.
- 2.2 Whistleblowing relates to concern for others rather than oneself. If a member of staff is reporting that they solely have been mistreated, then this should be considered under other Council policies, e.g. Grievance Procedure.
- 2.3 Whistleblowing reports must come from Council workers (including temporary members of staff and contractors). Reports from members of the public are not considered to be whistleblowing and should be directed to the Council's Complaints and Feedback Team or the counter fraud hotline.
- 2.4 Whistleblowing reports are often made anonymously. However, where possible (e.g. where reports are taken over the phone or by email) the person making it should be informed that reporting concerns in this way may make it more difficult to follow up (see section 3.5 of the whistleblowing policy).
- 2.5 Any report that falls within the categories set out by legislation (see section 2.4 of the whistleblowing policy) afford the whistle-blower protection under law. It is important to make this determination at an early stage in order to ensure that the whistle-blower is given correct advice and the Council acts in accordance with legislation.
- 2.6 Concerns or complaints raised about councillors are not covered by the whistleblowing policy, but rather come under Standards procedures. Any issues relating to councillors should be referred to the Monitoring Officer for advice.

2.7 If, after consulting the whistleblowing policy, there is a doubt as to whether a report constitutes whistleblowing then advice should be sought from Veritau and/or the Human Resources department to reach a conclusion.

3.0 Reporting receipt of a whistleblowing concern

3.1 All whistleblowing reports should immediately be reported to one of three parties:

- Corporate Director, Resources
- Corporate Director, Strategy & Regulatory
- Veritau – Internal Audit & Counter Fraud Service⁶.

3.2 If the report involves any of the people or groups named above then the report should be escalated to the Chief Executive.

3.3 The log of complaints should be updated at the beginning and the end of any whistleblowing investigation in order to keep a complete record of the report and how it was dealt with. Where managers receive details of whistleblowing concerns raised with external bodies (the prescribed persons and organisations set out at 6.1 in the policy), details should also be forwarded to Veritau for recording in the central log.

3.4 In some cases, the details of the initial report will be sufficient to determine that it will not fall under whistleblowing policy. In this situation the member of staff making the report should be informed of the reasons why their concern is not covered and be signposted to an alternative route. A record of this discussion should be kept.

4.0 Taking a concern forward

4.1 The person who first receives the whistleblowing report (i.e., supervisor or manager) should acknowledge it immediately and arrange a meeting with the whistle-blower as soon as possible (see section 5.2 of the whistleblowing policy) to gather additional information on the issues. This meeting should flesh out the initial report and help determine how the issue should be investigated.

4.2 This initial meeting can be done in person, in or outside Council offices, or via telephone. It is important to find an environment that the member of staff feels comfortable with. They may be supported by a trade union representative or colleague. A note taker can be brought to the meeting with prior agreement from the whistle-blower.

⁶ Veritau should be contacted via whistleblowing@veritau.co.uk

- 4.3 If anonymity is requested then every effort should be made to keep the whistle-blower's identity concealed. Anonymity however cannot be guaranteed. If there is a possibility due to the circumstances of the report that the whistle-blower's identity will become known, then they should be advised of this at the earliest possible stage.
- 4.4 All information relating to a whistleblowing report and any information gathered during an investigation should be kept confidentially. Information should be shared on a strictly need to know basis.
- 4.5 A record of this meeting should be written either contemporaneously or shortly following the meeting. These notes must be kept securely.
- 4.6 No commitments should be made about the process or outcome of the whistleblowing report; however, they should be reassured that their concerns will be taken seriously.
- 4.7 Following the meeting further details should be provided to the relevant Corporate Director and Veritau. The relevant Director, with advice from Veritau, will assign the investigation to a suitable person. This may be the manager who initially took the whistleblowing report or a member of staff from another area. In cases of potential criminality or health and safety then Veritau and the Health and Safety Team respectively will normally take the responsibility for investigating the concern.

5.0 **Conducting an investigation**

- 5.1 At the outset of an investigation the person responsible for looking into the concern should inform the whistle-blower that they are taking the matter forward.
- 5.2 Updates during the course of the investigation should be provided to the whistle-blower but only if it is appropriate (e.g. is data protection observed) and does not prejudice the investigation. If this is the case then it may be appropriate to only update the whistle-blower once the investigation has concluded.
- 5.3 It is advisable that notes are taken throughout the investigative process in terms of actions taken and conclusions reached.
- 5.4 The anonymity of the whistle-blower should be considered before any and all actions are taken in connection with the investigation. If a situation arises where it is not possible to resolve the whistleblowing report without the identity of the whistle-blower becoming known, then this should be reported to and discussed with that person before the action is taken. The person's name should only be made known to other employees on a

need-to-know basis. Equally if the whistleblowing report is about a specific person then that person's identity should also be protected.

- 5.5 Investigations instigated following a whistleblowing report should be dealt with as quickly as possible. Appropriate levels of resource should be made available to deal with the matter expeditiously. Where a whistleblowing investigation leads to other council processes being required (e.g., a disciplinary investigation) then relevant officers should be made aware at an early stage.
- 5.6 At the conclusion of an investigation a report should be drafted outlining any supporting or non-supporting evidence, conclusions reached, and recommendations. This report should be sent to the senior responsible manager (i.e., relevant Director), Veritau, and if relevant the HR advisor assigned to the case.

6.0 **Special Circumstances**

Safeguarding Concerns

- 6.1 If a concern includes issues relating to safeguarding, the relevant director, or Veritau should ensure that the matter is raised immediately through normal council safeguarding arrangements.

Anonymous Concerns

- 6.2 If a concern has been made anonymously then it must still be treated as credible and dealt with through the procedure detailed in this guidance.

Victimisation

- 6.3 If the whistle-blower reports that their identity has become known and they are being victimised then this should be reported to the relevant HR advisor as soon as possible. The Council may be in contravention of whistleblowing legislation if action is not taken to address this.

Vexatious / Malicious reports

- 6.4 If a whistle-blower acts in bad faith or raises malicious, vexatious, or knowingly untrue concerns in order to harm colleagues, their department or the Council then they may face disciplinary action. If you suspect this is the case, then this should be reported to the relevant HR advisor as soon as possible.

External Disclosures

- 6.5 It is important to be supportive and encouraging to those raising a concern. However, if an employee indicates that they are considering taking their concerns outside of the Council, for example to the media or social networking sites, you should advise them that:
- you will not be able to support them if they do so;
 - external disclosures to outside bodies may not be covered by the whistleblowing policy and relevant legislation;
 - their actions may represent an unauthorised disclosure;
 - they could jeopardise any legal protection they may have; and
 - they could face disciplinary action themselves.
- 6.6 If a whistle-blower does make an external disclosure then this should be reported to the relevant HR advisor and Veritau as soon as possible. Some types of disclosure are covered by national legislation but a consideration of whether an appropriate action has taken place or not should be considered on a case-by-case basis.

Support

- 6.7 If you have any queries or issues concerning whistleblowing then seek advice from your manager, the HR department or Veritau.

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Audit, Governance & Standards Committee

30 March 2021

PARTNERSHIP GOVERNANCE

Report of Corporate Director - Resources (S151 Officer)

All Wards
Key Decision = N

1.0 Purpose of Report

1.1 To advise the committee of the significant partnerships that the Council is involved with and the governance arrangements currently in place.

2.0 Decisions Sought

2.1 Members are requested to approve the updated guidance and current arrangements in relation to significant partnerships.

3.0 Link to Corporate Priorities

3.1 The role of the Audit, Governance and Standards Committee relates to all corporate priorities.

4.0 Introduction & Background

4.1 Monitoring arrangements for significant partnerships have been undertaken by the Performance Briefings for onward reporting to the Corporate Board.

4.2 A review of the Partnership Governance template and checklist has been undertaken and an updated version is attached at **Appendix 1** for Member's consideration.

4.3 A list of partnerships that Richmondshire District Council participate in has now been updated to reflect the latest position. This is attached at **Appendix 2**.

4.4 The role of Audit, Governance and Standards Committee regarding partnerships is to ensure that appropriate governance arrangements are in place for any partnership the Council takes part in. Members are therefore asked to note the updates and challenge as appropriate.

5.0 Recommendations

5.1 Members are requested to note the progress made on partnership governance.

6.0 Corporate Implications

Scrutiny Consultation	None.
Community Engagement	None.
Environment & Sustainability	None.
Financial Implications	No direct cost of this report.
Legal Implications	The role of Audit, Governance and Standards Committee supports the function of the Monitoring and s151 Officer roles.
Risk Implications	Risk Management is an integral part of governance, and the approach set out in this paper is designed to demonstrate this.
Human Resource Implications	None.
Equalities Implications	None.
Health & Safety Implications	None.

7.0 Further Information

7.1 Background Papers – None

7.2 File Reference – None.

7.3 Appendices – **Appendix 1** – Updated Partnership Governance Guidance 2021
Appendix 2 – Updated Partnerships List

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Partnerships Guidance 2021

Contents

Contents	2
Partnership Working Overview.....	3
Establishing and reviewing partnerships	5
Purpose of the guidance	7
1. Clear objectives	8
2. Clear organisational and staffing arrangements.....	9
3. Robust management and appropriate decision making.....	10
4. Robust performance management.....	11
5. Robust financial arrangements	12
6. Management of risks.....	13
7. Information sharing and public engagement arrangements.....	14
8. Exit arrangements.....	16
Appendix A – Good practice checklist for new partnerships	17
Appendix B – New Partnerships Template.....	19
Appendix C – Partnership Governance Improvement plan.....	24
Appendix D – Two yearly review template	25

Partnership Working Overview

Partnership working is fundamental to a modern public sector. Now more than ever as funding is squeezed and more and more is asked of us, we need to work with others to get the best from our diminishing resources.

But embarking on a partnership needs careful planning – it should support our strategic objectives, make sound business sense and have the appropriate ‘checks and balances’ in place to ensure the interests and assets of the Council are safeguarded.

This guidance is designed to help managers think through the necessary steps and issues associated with creating a successful partnership and put in place the necessary frameworks to ensure our objectives are met and our efforts are not duplicated.

Partnership working is not an easy fix – it is important that sufficient resource is put into building the case for a partnership and establishing its operation.

There are a number of benefits to partnership working including:

- Improving communication between staff and managers
- Better information sharing
- Easier access to services for users
- More integrated approach to the delivery of services for users
- Bringing together different knowledge and skills to address complex problems
- Greater efficiency or value for money in the use of resources
- Improving recruitment, retention and morale
- Additional capacity to plan and develop services
- Pooling expertise and resources to shape better services
- Achieving improved outcomes through developing new service models not achievable by a single agency

Benchmarking may highlight partnership working as the preferred course of action for a service, and form part of the business case for creating a new partnership. It may also highlight examples of best practice and / or provide valuable information into obstacles which other local authorities have encountered, along with preventative or conciliatory measures.

Although partnership working has its advantages, it is not always a successful form of working. Problems that can arise include a lack of understanding between partners, or a lack of focus on the objectives or results of the partnership.

Unsuccessful partnerships are typically characterised by:

- A history of conflict among key interests
- One partner manipulates or dominates
- Lack of clear purpose
- Unrealistic goals
- Differences of philosophy and ways of working
- Lack of communication
- Unequal and unacceptable balance of power and control
- Key interests missing from the partnership
- Hidden agendas
- Financial and time commitments outweigh the potential benefits

Before establishing or joining a partnership, due consideration should be given to whether this form of working is right for the prospective members and whether or not the time, resources and efforts required to overcome barriers, such as those listed above, are available.

It is worth investigating other methods of working which may serve the public better and thus negate the need for a partnership. Could another delivery approach provide a more successful service or reduce cost and resource input? It may be worth undertaking a succinct benchmarking exercise to assess the methods of other local and near neighbour authorities; findings may determine a more suitable course of action, or highlight cases where partnership working is unsuitable for a particular service.

Intelligence should be applied to weigh up whether the work involved in maintaining a partnership justifies the added benefits, if any, that are received. In short, consider whether the partnership will add value.

If there is not enough support for the business case, whether there is insufficient supporting evidence or buy in from senior officers / members, do not proceed. Look into alternative approaches – for example joining an existing partnership.

Establishing and reviewing partnerships

1. Establishing Partnerships

- (a) There are three main phases to the establishment of a partnership:-
- I. Feasibility – making the case for the arrangement and convincing partners to join.
 - II. Entering into the partnerships – creating the formalities of partnership working.
 - III. Ensuring the partnership works once created – making governance, administrative, financial and operational arrangements work in practice.
- (b) You should complete the attached template either during or after the initial feasibility phase and table it for consideration at Senior Management Team (SMT). A copy should also be forwarded to the Finance & Improvement Manager to enter onto the system for future retention.
- (c) The setting up of a new partnership is a project in itself and should be planned, following the corporate project management documentation which will cover many of the issues in the template.

2. Reviewing existing partnerships

- (a) The template should be used to undertake a full five yearly review (by 31st March each year) a six monthly report and update to Audit, Governance and Standards Committee and a biennial check, by the relevant Board, of all “significant partnerships” and at appropriate & relevant points for other partnerships. Following a review of the partnership, an improvement plan should be developed, if appropriate and approved/monitored by the relevant Board. A significant partnership is defined as those which;
- I. We estimate the total contribution of resources from either Council, over the next three years (commencing 2021), will be over £150,000; and/or
 - II. We estimate the combined “turnover” of the partnership over the next three years (commencing 2021), will be greater than £500,000; and/or
 - III. The aims/objectives of the partnership are central to the delivery of any aspect of the Council and its Plans;
 - IV. The aims/objectives of the partnership are considered to be of political significance by the responsible Director.
- (b) Where a partnership is a sub-group of another partnership, this will not be deemed to be a significant partnership in its own right.
- (c) Where a partnership is a sub-group of another partnership, this will not be deemed to be a significant partnership in its own right.

3. What is a Partnership?

- (a) For the purposes of this exercise, a partnership can be any arrangement between two or more bodies (public or private) which come together for their mutual benefit and that of the community.
- (b) It could be a traditional way of joint working between Local Authorities such as a Joint Committee or it could be a new entity such as a company with partner involvement. It could have a charitable element. It could also be simply an informal arrangement such as an officer working group. What the Template is not intended to cover is a traditional

client/contact relationship for the provision of works, goods or services, in effect a contract.

4. How to use the Template:

- (a) The Template is intended as a check-list for those running partnership projects. It does not provide all of the answers to the questions. Some of these, such as the purpose or the proposed outcomes of the partnership may be driven by internal or external factors such as Government policy, Council Plan or other targets. Some answers may be gleaned from other existing policies and procedures (e.g. procurement or HR rules) and some may be available from officers or other bodies with specific expertise (operational, financial, legal etc).
- (b) The completion of the Template is not an end in itself. The partnership has to be operated in accordance with the proposals identified by the answers to the questions. This is the responsibility of the Lead Officer of both the partnership and the District Council.

5. Relationship with Partners' Existing Structures:

- (a) Those setting up partnerships need to recognise how the new arrangements will relate to existing arrangements. If a new legal entity (e.g. a company, an association) is being created, what will its relationship be to the partners – contractual? Grant giving/receiving? Entirely independent?
- (b) If the partnership is not a new legal entity, then it will still be part of the original partner organisations in some way (e.g.: a Joint Committee). This relationship needs to be clearly understood and managed to maintain accountability and transparency.

Purpose of the guidance

The guidance outlines the approach to be applied when considering joining or introducing new partnerships, it should also be used for reviewing existing arrangements. It provides a basis for examining the key issues that require consideration, to ensure that the Council participates in successful partnerships that have robust governance arrangements. The Council's eight partnership standards are:

1. Partnerships should have **clear objectives** that are realistic and measurable and link to the achievement of the Council's corporate objectives.
2. There should be **clear organisational and staffing arrangements** in place, with clear accountabilities for those involved in the partnership and clarity with regard to the resources committed to it.
3. Partnerships should have **robust management and appropriate decision making** mechanisms in place. They should have a constitution and/or terms of reference and defined standards as to the way individuals within partnerships should behave.
4. Partnerships should have **robust performance management** arrangements for monitoring and reviewing how successfully targets are being met and sharing review findings amongst partners.
5. Partnerships should have **robust financial arrangements** in place, with clear budget setting and monitoring procedures and clear financial regulations and schemes of delegation.
6. Partnerships should have a clear process for identifying, prioritising and **managing risks**. Business continuity arrangements should also be in place.
7. Partnerships should have a transparent process for **information sharing** within the partnership **and public engagement arrangements** where there is communication with service users and the wider public.
8. Partnerships should have clear **exit arrangements** that allow for minimal disruption and the reallocation of resources.

All officers of the Council are expected to use the guidance for both new and existing significant partnerships; this includes completing the checklist at Appendix A.

1. Clear objectives

One of the main reasons that partnerships fail is the lack of clear objectives and plans.

The Council believes that all partnerships it is involved with should have:

- A business plan or strategy in place.
- Realistic and measurable objectives.
- Targeted outputs and outcomes.
- A clear link to the achievement of the Council's corporate objectives.

There should be clear aims and realistic and measurable objectives before a partnership is set up and these should be agreed by the partnership at the first meeting. The aims and objectives should answer the question '*what is it intended to achieve?*' and should have a clear link to the achievement of the Council's strategic themes and corporate priorities.

The aims and objectives should be set out in the partnership's terms of reference or constitution and the short/medium/long-term outcomes and performance measures in a business plan or strategy.

Objectives

Objectives are specific statements that can be measured. For this to take place they should be SMART, which means they are:

- | | | |
|-------------------|---|--|
| Specific | - | all objectives should have specific outcomes. |
| Measurable | - | the outcome of an objective should be able to be measured. |
| Achievable | - | the objective should describe something that can be achieved within the timescale and resources set for the project. |
| Realistic | - | objectives should describe something that can actually be done |
| Time bound | - | a timescale should be set for when the objective is to be achieved. |

Outputs, inputs and outcomes

Once the aims and objectives have been set, partners should turn the objectives into specific outcomes. The outcomes should answer the question '*how will I know when these objectives have been achieved, in terms of benefits experienced by the community?*'

Each of the partnership's outcomes should be able to be measured or monitored. This can be achieved by setting specific performance measures or milestones. Performance measures can be quantitative or qualitative. Quantitative measures use statistical information whereas qualitative measures provide an understanding of people's experiences, perspectives and histories in the context of their personal circumstances or settings and answer 'what is', 'how' and 'why' questions.

Outputs should relate to the outcome and are the activities that will need to take place for the objectives to be met. They are usually things that need to be done in order to produce the desired result e.g. carry out an awareness campaign or increase the number of neighbourhood watch schemes in an area.

Inputs are the resources that are available to carry out the work needed in order to achieve the objectives. The inputs or resources used to produce the outputs can be financial, material or human.

2. Clear organisational and staffing arrangements

The Council believes that all partnerships it is involved with should have:

- Clear accountabilities e.g. role of lead officer, Senior Management Team, Managers, elected members, Scrutiny etc.
- Clarity around resources committed to the partnership.

Your Role

Firstly, it is very important that you are clear about your role on the partnership/s that you are involved with. Where you are the Council's lead officer for a partnership, you are expected to:

- Be a point of contact between the Council and the partnership.
- Assist the partnership work with the Council.
- Facilitate the Council's input into the partnership.
- Review performance against agreed outcome targets and highlight any issues with your Manager.
- Alert relevant Council officers to any issues.
- Facilitate a regular self-assessment of the partnership's activity and make recommendations about any action required.
- Be clear as to the level of decision-making authority that the partnership has and whether or not you have such authority from the Council.

You also need to be clear about the amount of time you are expected to commit to the partnership and ensure that your manager is agreeable to this level of commitment. Staffing commitments should not exceed the amount of added value that the partnership can deliver.

Senior Management Team

The Council's Senior Management Team is responsible for:

- Determining if a partnership is to be considered as a significant partnership
- Risk assessing the Council's partnerships at a frequency proportionate to the partnerships importance.
- Reviewing the benefits and alignment with the corporate plan of individual partnerships.
- Keeping a register of the Council's significant partnerships.
- Monitoring the overall impact of partnerships and advise Corporate Board on any action required.
- Commenting on the viability and strategic fit of any new partnership, and relevance of existing partnerships.
- Championing the use of this guidance.

3. Robust management and appropriate decision making

All partnerships should have a governing document such as a constitution, memorandum of understanding or terms of reference and operating conventions. The process of agreeing a document is in itself an important element of partnership governance; it will help clarify roles and relationships and build goodwill and trust.

The Council believes that all partnerships it is involved with should have:

- A constitutional or legal framework, which can include terms of reference.
- Clear codes of conduct.
- A clear decision making process.

Whilst there is no single form of document that will suit the size and scope of all partnerships, the main elements that should be considered are:

- Name of the partnership;
- Aims and objectives;
- Timescales (date of establishment, review and end (see exit arrangements));
- Membership, including status of different members and termination of membership, schemes of delegation;
- Powers (statutory responsibilities and decision-making authority);
- Accountability (reporting structures, dealing with complaints and public transparency);
- Roles and responsibilities of the Chair and other members, including codes of conduct and equalities;
- Income and other resource contributions, including ownership of assets;
- Meetings (frequency, quorum rules, chairing and voting);
- Decision-making processes (scope and timescales);
- Performance management arrangements;
- Amendments to the partnership's rules;
- A proportionate mechanism for periodic review and change management
- Minutes; and
- Exit strategy.

Governing documents should be reviewed at least **every three years** and amended where necessary.

4. Robust performance management

The Council believes that all partnerships it is involved with should have:

- Clear milestones, outcomes, performance indicators and delivery dates.
- Arrangements for monitoring and reviewing how successfully targets are being met.
- Arrangements for ensuring that monitoring and review findings are shared and disseminated amongst the partners.
- A clear process for addressing poor performance within the partnership.

For information on milestones and outcomes please look at section one 'Clear Objectives'. The aims and objectives should be set out in the partnership's terms of reference or constitution and the short/medium/long-term outcomes and performance measures in a business plan or strategy.

All partnerships should have robust performance management arrangements in place. Partnerships with a more formal workload, more onerous responsibilities and larger resources should have more sophisticated arrangements in place. Where possible, management arrangements should be aligned with the Council's own performance management arrangements.

Partnerships should regularly monitor and evaluate their performance and provide updates at partnership meetings. If a partnership is not meeting its targets, or is likely to fail in the future, this will need to be flagged via the partnership's agreed reporting structures and should also be discussed with your Director.

Performance and progress against milestones should be reported to the council on a regular basis. The frequency of reporting will be determined by the scale of the partnership, e.g. where significant funding has been contributed, quarterly reporting would be expected.

Partnerships should also consider carrying out regular self-assessments to maximise their potential and deliver better outcomes.

For further information on this section please contact the Finance & Improvement Manager.

5. Robust financial arrangements

There is a range of financial issues to consider when setting up a partnership and a number of them are covered below. This section sets out a number of important points, but if in doubt please seek advice.

The Council believes that all partnerships it is involved with should have:

- Clarity on resource committed to the partnership.
- Clear budget setting and monitoring procedures in place.
- A budget and performance reporting framework in place.
- Clear financial administration procedures in the form of financial regulations and scheme of delegation.

Resources

Every partnership needs to be clear about the resources it has available. Resources can be in the form of people, other in kind contributions and/or money. If partners are committing funds to the partnership, clear agreements need to be in place setting out how much funding will be provided and how under and over spends will be dealt with.

Budgeting

Budgeting is a fundamental part of the planning process for any organisation or partnership. It links what resources are at your disposal with how you are going to use them to achieve your objectives and each year a budget plan should be approved. Where a partnership has monetary resources at its disposal it should agree monitoring procedures that are appropriate to the level of funding it receives.

Reporting framework

Where a partnership is in receipt of monetary resources, the accountable body for the funding should provide the partners with regular budget control reports, to enable the partners to understand what the financial position is. A named person should be given this responsibility. The reporting framework needs to link to the agreement on how under and over spends within the partnership would be dealt with if they happened.

The accountable body may change depending on where the funding originates. The partnership must abide by the accountable body's financial regulations and must ensure that it has obtained the appropriate level of authorisation before payments are made.

The budget reporting framework should be linked to the partnership's performance management framework to ensure that spend is linked to outcomes.

Audit requirements

From the outset, the partnership agreement must provide both internal and external auditors with rights of access to documentation. All partners must ensure there is a clear audit trail for any payments made, contracts tendered and funding received, which follows the appropriate financial / contract regulations and schemes of delegation.

Document retention

It will need to be established who is going to be responsible for holding documents and for that party to be aware of the legal requirements of retaining documents for various statutory and grant body requirement periods.

Grants

Grants may form the main funding for partnership arrangements and the terms and conditions of those grants must be clear, including who the accountable body is and document retention. Grant funded services or projects should have clear exit strategies for when the funding ends.

For further information on this section please contact the Finance & Improvement Manager.

6. Management of risks

Risk management is a key element of corporate governance. It allows you to identify things that may go wrong and plan ways to either prevent them happening or minimise their impact. Each partnership needs to consider the risks that, if they occurred, would prevent it from achieving its objectives.

As partnerships carry out work to meet the Council's objectives, the Council itself faces a risk of partnership failure. The Council's lead officer for a partnership should therefore assess the risk of their partnership failing and - where this is a possibility - take action to put mitigating controls in place.

The Council believes that all partnerships with which it is involved should have:

- A clear process for identifying and recording risks, assessing the potential impact and likelihood of risks occurring, prioritising and managing risks.
- A common understanding of the identified risks among all partners in the partnership.
- A clear allocation of risks to nominated members of the partnership, including responsibility for overseeing the implementation of action plans to mitigate risks.
- Regular review of risks and action plans.
- Appropriate business continuity arrangements in place.

The Council's scoring mechanism for assessing the likelihood of a partnership failing, considers whether the following elements of risk management are in place: risk register, process for managing risk, mitigation plans, clear risk allocation and exit strategy.

The Council's own risk management processes are set out in its Risk Management Strategy, available on the Council's intranet, together with:

- areas to consider regarding the scope of risk;
- guidelines for assessing the impact and likelihood of risk; and
- templates for risk registers and action plans.

Lead officers can use the Council's processes as a guide to ensuring that appropriate risk management arrangements are established in a partnership, proportionate to its significance and scope.

Significant risks should be reported to the Council on a regular basis. The frequency of reporting will be determined by the scale of the partnership, e.g. where significant funding has been contributed, quarterly reporting would be expected.

For further information on this section please contact the Finance & Improvement Manager.

7. Information sharing and public engagement arrangements

The Council believes that all partnerships it is involved with should have:

- A clear and transparent process for sharing information within the partnership.
- A clear data quality trail.
- Communication with service users and the wider public to explain how the partnership works and where responsibility and accountability lie.
- A joint complaints procedure or process for ensuring redress can be obtained.

Information sharing

There are enormous benefits to sharing information; however, it should always be done within the law. The provisions in the Data Protection Act 1998 should be used as a safeguard to protect privacy and confidentiality and not be used to justify unnecessary barriers to sharing information. Various information sharing protocols exist across partner organisations in North Yorkshire and it is important to abide by these where applicable.

New legislation is scheduled to come into force with effect from May 2018. The General Data Protection Regulations (GDPR). Work is currently underway to understand the implications and implement the relevant changes. Until this work is complete the requirements of the Data Protection Act 1998 apply and the requirements set out in this document should be followed.

Protocols seek to facilitate the professional and responsible exchange of information. They provide guidance on how officers can lawfully and fairly exchange personal, depersonalised and non-personal information and set out the principles that must be followed when exchanging information. If your partnership exchanges personal information to meet its aims you must ensure that a protocol is in place and that the guidance is followed.

A protocol should include:

- Parties to the arrangement/protocol signatures
- List of types of information to be shared
- Procedure or a description of how it is going to be shared
- Security
- References to relevant legislation
- Legal considerations and basis for information sharing
- Monitoring and review statement

The Data Protection Act 1998 requires that personal information is obtained and processed fairly and lawfully; only disclosed in appropriate circumstances; is accurate; relevant and not held longer than necessary; and is kept securely. The Information Commissioner's Office has developed a Framework Code of Practice for Sharing Personal Information, which can be found at <https://ico.org.uk/>

Specific protocols may need to be developed for a multi-agency project or initiative which may include public and non-public organisations. But public organisations must have a signed, written agreement (e.g. SLA or contract) with any private, community, independent, voluntary or charitable organisations involved.

If you are unsure as to whether or not a protocol is necessary or would like advice regarding the development of a protocol please contact the Senior Information Manager.

For further information on information sharing please contact Legal Services.

Public engagement

The Local Government and Public Involvement in Health Act 2007 introduced a new duty to involve. This duty came into force on 1 April 2009 and requires local authorities to take those steps they consider appropriate to involve *representatives of local persons* in the exercise of any of their functions, where they consider that it is appropriate to do so.

The phrase “representatives of local persons” refers to a mix of “local persons”, i.e. a selection of the individuals, groups or organisations the authority considers likely to be affected by, or have an interest in the authority function. In the context of the duty the “representative” does not refer to formally elected or nominated members of the community, such as councillors.

In considering how to fulfil the statutory duty, you should aim to involve representatives of local people as much as possible. This should be in relation to routine functions, as well as significant one-off decisions.

The following three ways of involving should be considered. You will need to consider whether one, two, all three or none of the approaches should be used.

- a) **providing information** about the exercise of the particular function;
- b) **consulting** about the exercise of the particular function; and/or
- c) **involving in another way**.

In addition to complying with the duty to involve, all partnerships should have a **joint complaints procedure** or process for ensuring redress can be obtained. The procedure should be clear and accessible to both partners and the public. Partnerships need to recognise the feedback value of complaints; it should influence decisions about service delivery. Complaints also present an opportunity to engage with the wider public.

Partnerships need to take a collective approach to developing an effective complaints procedure; this means that they can deal with complaints collaboratively, or quickly and efficiently channel the complainant to the appropriate partner’s corporate system.

For further information on public engagement please contact the Monitoring Officer.

8. Exit arrangements

The Council believes that all partnerships it is involved with should have:

- An exit strategy that allows for minimal disruption, smooth transition and no nasty surprises.
- Arrangements for the reallocation of resources.
- A process for managing residual liabilities.
- Assessed the impact of ending the partnership.

Recognising when a partnership is no longer necessary can be difficult, but is important. It is best to plan for the end of the partnership when the partnership is initially set up. Exit arrangements should be detailed within the partnership's governing document.

The partnership should set out in its governing document the conditions under which a partner may leave the partnership and the conditions under which the partnership can be brought to a close. When preparing the exit or end conditions you should consider the following:

- What should happen to any employees working on behalf of the partnership?
- What will happen to any assets (including monetary contribution) owned by the partnership?
- What will happen to any documentation, or information held by the partnership?
- How will a final report (including accounts) of the partnership be presented and to whom?
- Is there a need to consult with stakeholders before withdrawing from or ending the partnership?

Partnerships should carry out a regular review (preferably annually) of whether it should carry on or cease to function. Possible reasons for ceasing include:

- Inability to meet objectives
- Lack of funding
- Lack of commitment from a key partner
- Objectives are met
- The partnership activity no longer supports the Council's objectives
- One or more partners wish to exit for any of the above reasons.

Winding up a partnership that is a company is a specialist task and you will need to take advice from Legal Services if this applies.

Exiting a partnership can be done at any time, barring any contractual commitments. If you are proposing to exit a partnership this should be discussed with partners and should follow any agreed exit arrangements that are in place. Withdrawal may have serious negative effects on partners and could undermine future relationships if not handled correctly.

The optimal time for a partnership to cease would be at the end of the financial year, as the partnership's plans and budgets likely will be synchronised to this. A withdrawal will need to be planned and it should be borne in mind that a period of notice is considered usual.

For further information on this section please contact Legal Services.

Appendix A

Good Practice Checklist for new partnerships and 5 yearly reviews

This good practice checklist will help you to assess the health of your partnership. All of the answers should be 'yes' and action should be taken where this is not the case. **Please only use N/A in exceptional cases where there is a special reason for doing so.**

**ACTION
NEEDED**

Following the completion of the checklist you must complete Appendix A attaching all relevant documentation as evidence. You may also need to complete appendix B. Once completed deliver the completed check list, Appendix A and Appendix B to Partnerships and Commissioning, ideally this will be in electronic format however, a hard copy folder is acceptable. It is recommended you complete appendix A whilst working through the score card.

1. Clear Objectives

	Y	N	N/A
Are there agreed aims and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the aims and objectives relate to those of the council?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear published strategy for the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a shared action plan to deliver the strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Clear organisational and staffing arrangements

	Y	N	N/A
Was the correct approval sought to initiate the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your role and responsibilities clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there clarity about the functions and decisions that can be delegated and to whom?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there arrangements in place for the external scrutiny of partnership decisions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do staff employed by the partnership have agreed aims and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a policy on recruitment to the partnership? Is it clear whose recruitment procedures should be used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are staff supervision arrangements clear and appropriate for partnership staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have staff development procedures (appraisal, training) been clarified for partnership staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is it clear how staff conduct issues will be addressed between partners?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Robust management and appropriate decision making

	Y	N	N/A
Does the partnership have terms of reference or a constitution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a code of conduct?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are clear and accurate minutes recorded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a declaration of interest procedure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Robust performance management

	Y	N	N/A
Is there an agreed performance management framework?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are challenging and SMART targets set year on year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is performance against targets tracked and reported to the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are performance measures in place for the council to monitor its involvement in the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there arrangements in place for the partnership's progress and performance to be reported back to the council on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Robust financial arrangements

	Y	N	N/A
Is it clear where accountability lies for financial matters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the council's financial commitment clearly identified in service budgets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is it clear whose standing orders/financial regulations/constitution are to be used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the process for approving spending clear, documented and agreed by the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are financial monitoring and reporting arrangements in place within the partnership and who manages them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Where necessary, are financial monitoring arrangements in place within the council in relation to the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a means to evidence that objectives are being met in a cost effective manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the procedure for applying for grants and external funding clear?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Where resources are jointly purchased or commissioned, is there clarity over ownership, responsibilities etc?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have the implications of VAT and other taxation requirements of, and differences between, different organisations been considered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Management of risks

	Y	N	N/A
Does the partnership maintain a risk register and actively manage its risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there arrangements in place for the partnership's significant risks to be reported back to the council on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the council undertaken a risk assessment of being in the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are business continuity arrangements in place within the partnership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Information sharing and public engagement arrangements

	Y	N	N/A
Is an information sharing protocol in place between partners?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have data protection issues been addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there clarity on confidentiality within meetings and on handling confidential information between partners?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the partnership publicly report its progress?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the partnerships papers available to the public?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Can the public ask questions at meetings or raise agenda items?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a complaints and feedback process in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the partnership have an action plan to address the GDPR requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Exit arrangements

	Y	N	N/A
Does the partnership have an exit strategy in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Where appropriate, have staffing issues been considered in the partnerships exit planning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the exit strategy include a policy on dealing with ongoing income and expenditure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is it clear who will own assets once the partnership comes to an end?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is it clear who has which liability once the partnership ends?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix B

RICHMONDHSIRE DISTRICT COUNCIL SIGNIFICANT PARTNERSHIPS TEMPLATE for NEW PARTNERSHIPS AND FIVE YEARLY REVIEWS

This template may be used as an agreement template if no other documentation is available. Where other documents do cover the requirements of the template simply reference the document and the relevant page number. Remember to include a copy of the document in the evidence folder.

Name of Partnership	
Partners	
RDC Lead officer	
Contact details	
Partnership lead officer if different to above	
Intended start date & duration	
1. Governance arrangements	
1 Rationale:	
a) Why does/will this partnership exist?	
b) What are its agreed aims?	
c) What outcomes will it achieve in the next 3 years?	
d) When & how will we assess whether the aims and outcomes have been achieved?	
e) Where have/will the aims & outcomes be published?	
f) Can you identify a better way of serving the public?	
2 Added value :	
a) How does this partnership add value to the council?	
b) How does this partnership add value to other partners?	
c) How does this partnership add value to the Community?	
d) How will this added value be demonstrated to the public?	
e) How do you know whether council funds are being well spent?	

f) How does the public know that partnership funds are being well spent?	
3 Governance arrangements:	
a) What legal form will/does the partnership take?	<p>Joint Committee of constituent Local Authorities under the Local Government Act 1972</p> <p>Unincorporated Association</p> <p>Company</p> <p>Informal Working Arrangement? Give more details</p> <p>Other? Give more details</p>
b) Is there a charitable element?	
c) What is/will the governing instrument(s) be?	
d) How will/are policy and strategic decisions made?	
e) How are they recorded?	
f) Who makes sure that they are acted on?	
g) Who scrutinises them?	
h) To who are they reported?	
i) How is/will the day to day management operate?	
j) What representation will the partners have on the Partnership and how it operates?	
4 Setting up a new partnership	
a) What approvals will be required from within the partnership to set it up?	Other partners:
b) What external approvals are required?	<p>Government department:</p> <p>Other</p>
c) What communication will there be about setting up the partnership?	<p>With Members?</p> <p>RDC Officers:</p> <p>The partners:</p> <p>The public :</p> <p>Others:</p>

d) What are the milestones and timescales for setting up the partnership?	
e) Is there a budget for setting up the partnership? If so what are the partners contributing? Who will hold the budget?	
f) Who is leading on setting up the partnership?	For the partners: For RDC
g) Who is providing the following support to set up the partnership? (refer to internal and external support)	Legal? Admin? Finance? Operational? ICT? Other?
h) How is this being financed?	
i) Is there anything else the Council needs to have to protect its interests?	
2. Partnership Objectives	
What is the function and purpose of the partnership?	
What are the key objectives of the partnership?	
What arrangements are in place for developing the key objectives in conjunction with a risk assessment?	
What arrangements are in place for agreeing and regularly reviewing the key objectives?	
What arrangements are in place for assigning objectives to partners?	
3. Organisation & Staffing Arrangements	
What is the basis for membership of the partnership?	
Who is on the partnership and who do they represent.	
How will the partnership ensure that membership is sufficiently inclusive and meets equalities criteria?	
What rules are there for the status of different members? (e.g. those 'in attendance')	
How will decisions be taken within the partnership? (scope and timescales)	
List all the partners involved and their contact details	

What arrangements are in place for guiding the conduct of individual members of the partnership?	
What processes are in place for resolving disputes that may arise between partners?	
What processes are in place for resolving complaints effectively? (Clarity over responsibility for complaints concerning joint activity will be necessary)	
4. Management and Decision Making	
What is the structure of the partnership?	
Does it sit within a larger family of partnerships? Provide details.	
What principles or ground rules will govern the partnership?	
What arrangements will be put in place for agenda management and administrative support?	
What is the notice and frequency of meeting; quorum rules; chairing arrangements; voting arrangements; representation of other members?	
How will declarations of interest be managed?	
5. Performance Management	
What arrangements are in place for managing and monitoring the performance of the partnership?	
How will the partnership review its performance on a quarterly basis?	
What is the frequency of performance reporting to the board	
Are performance targets reviewed	
6. Financial Arrangements	
How will the partnership be resourced? (Is there a clear budget set (covering both income and expenditure) for revenue and capital purposes?)	
What arrangements are in place for monitoring the partnership's budget?	
How will action be taken where there are major variances in the budget?	
What arrangements are in place to limit the financial liabilities that the partnership can incur?	
What financial procedures / controls are in place?	
What mechanisms are in place to review the financial procedures / controls on a regular basis?	

Where the partnership must meet specific minimum guidelines in order to maintain funding, what arrangements are in place for monitoring how the guidelines are met?	
Where partnerships have staff and/or other assets and one organisation is acting as the host body, what arrangements are in place for clarifying any transfer of these?	
Have the VAT arrangements been agreed with Customs and Excise?	
What arrangements are in place to investigate allegations of breaches of financial conduct, fraud and corruption?	
7. Risk Management	
What arrangements are in place for assessing and managing the risks associated with the partnership?	
Are significant risks routinely reported	
Are risk mitigation processes routinely reviewed	
How does the Council risk assess its membership?	
8. Information Sharing and Public Engagement	
What information will agencies need to share?	
How will this be done? (Including overcoming any technical or legal barriers)	
Are meetings open to the public	
Mechanisms for publishing minutes	
Protocols for ensuring data Protection / GDPR compliance	
9. Exit strategy	
What arrangements for dissolution are in place?	
Is there an exit strategy within the partnership agreement including assets, liabilities and staffing etc?	
How will legacy contracts (if any) be dealt with?	
10. Review Programme	
Fundamental review every 3 years Six monthly reviews in quarter 1 and quarter 3 by Senior Management Team	Date: Date:

PARTNERSHIP GOVERNANCE IMPROVEMENT PLAN

This template (or something similar) should be used to ensure action is taken to address any necessary improvements or missing elements of the governance arrangements.

NAME OF PARTNERSHIP:

DATE:

Governance area	Improvement needed / Intended outcome	Action taken	Timescale	Responsible person / group	Notes (including resource implications)

PARTNERSHIPS
Biennial (Two yearly) review

1. Clear objectives

	Y	N	N/A
Have the objectives of the partnership changed since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please explain			

2. Clear Governance arrangements

	Y	N	N/A
Has the governance, including exit arrangements, of the partnership changed since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please explain			

3. Organisational and staffing arrangements

Please explain any changes to organisational and staffing arrangements since the last review of the partnership.
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4. Management and decision making

	Y	N	N/A
Have there been any changes in management / decision making since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please explain			

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5. Performance and financial management (including exit arrangements)

	Y	N	N/A
Have there been any significant changes in performance or financial management since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please expand			

6. Risk Management

	Y	N	N/A
Are you aware of any change in risk profile relating to the partnership since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please expand			

7. Information sharing / public engagement arrangements

Please explain any changes to the information sharing / public engagement arrangements since the last review.

8. Overall conclusion

	Y	N	N/A
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Is there any reason why the Council should reconsider its view on working with this partnership since the last review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please expand			

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Current register of significant partnerships RDC (March 2021)

Ref No.	Lead Director	Name of Partnership	Does RDC hold Accountable Body Status?	Significant review date	Update – September 2019
New	C Dales	Strategic North Yorkshire Community Safer Partnership / PREVENT	No	By December 2022	Both partnerships ongoing and operating well
SP007a	C Dales	York, North Yorkshire and East Riding Strategic Housing Board	No	By October 2022	Updated assessment undertaken, and work continues as previously
SP010	C Dales	York & North Yorkshire Waste Management Partnership	No	By May 2022	Reviewed - continuing
SP011	S Moore	Veritau North Yorkshire - Contract	No – Company with Directors	By March 2021 – updated to March 23	Extension agreed for 2 years to 2023 as discussed at AGS Jan 21
SPH015	C McKeon	North Yorkshire Building Control Partnership (Reviewed as part of Scrutiny and funding 2011)	No	By October 2021	Partnership ongoing and 2019/20 annual accounts show first surplus returned to partner authorities
SPR017	C McKeon	Richmondshire Leisure Trust	Funding arrangement, not accountable body but RDC has some residual financial responsibilities	By September 2021	Extension to the funding agreement has been signed for a further year and further funding provided by way of business loan. Future longer-term relationship still to be determined
SPR019	T Clark	LEP – Infrastructure and Joint Asset Board	No	By October 2022	The Board structure was reviewed as part of the LEP Review in 2019/20, which led to the geography of the LEP area being changed to the York and North Yorkshire footprint only (East Riding is no longer part of the LEP) .

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Audit, Governance and Standards Committee

30 March 2021

RISK MANAGEMENT UPDATE

Report of Senior Management Team

All Wards
Key Decision = N

1.0 Purpose of Report

- 1.1 To update the Audit, Governance and Standards Committee on progress on risk management and proposed future actions.

2.0 Decisions Sought

- 2.1 To support the proposed approach.

3.0 Link to Corporate Priorities

- 3.1 Audit matters relating to efficiency and effectiveness objectives.

4.0 Introduction & Background

- 4.1 Risk Management is a critical tool in managing Council business; it helps identify key risks and approaches to address those risks.
- 4.2 The Council is continuing to with the approach to Risk Management reported previously. Work has been ongoing with Senior Management Team, Directors and Managers over the last few months and Corporate, Directorate and Service risk registers have now been updated. Fiona Sowerby from North Yorkshire County Council has continued to support this.
- 4.3 Risk management is now an integral part of the Councils corporate planning framework and day to day responsibilities. Management Team has reviewed / updated the corporate risks and reviewed the operational risks ensuring appropriate actions are built into the service plans to address key issues.
- 4.4 Monitoring takes place every six months as part of service plan updates with managers highlighting further risks / issues addressed. This monitoring means that the action plan is complete and will form a core part of ongoing service management.
- 4.5 Managers continue to feel that the approach used is helpful in assessing risks and also identifying actions needed to reduce risk / address the issues arising.

- 4.6 The updated corporate risk register was fully reviewed in September 2020; with the register being shared with Members at the September meeting of Audit, Governance and Standards Committee.
- 4.7 With the significant changes that have occurred recently, including Brexit, Covid19 and LGR it is important that updated risk reviews are undertaken. It had been intended to run a workshop for Members to consider the Council's key risks but given the outcome of Local Government Reorganisation is likely to be announced in the Summer of 2021 it is suggested that a workshop is considered in more detail at the September 2021 meeting of this committee.

5.0 Update on Key Corporate Risks

- 5.1 Following the last review of the Councils corporate risk register in September 2020 updated plans were put in place to deal with the new risks identified. The Service plans for 2021/22 are in the process of being updated and a key aspect will be the inclusion of actions relating to those new risks.
- 5.2 No new risks have been added to that reported to the September 2020 meeting of Audit, Governance and Standards, but some of the assessments have changed compared to that presented to that meeting, for example the likelihood of LGR has significantly increased.

6.0 Conclusion

- 6.1 The current approach adopted continues to show success, and will be followed for the next year.

7.0 Recommendation

7.1 That Members note the changes that have taken place in risk management

8.0 Corporate Implications

Scrutiny Consultation	None
Community Engagement	None
Environment & Sustainability	None
Financial Implications	The cost of this proposal is within existing budgets.
Legal Implications	Provides additional comfort on corporate governance issues.
Risk Implications	Risk Management is an integral part of governance, and the approach set out in this paper is designed to demonstrate this.
Human Resource Implications	None
Equalities Implications	None
Health & Safety Implications	None

9.0 Further Information

- 9.1 Background Papers – Risk management approach approved September 2016

9.2 File Reference – None

9.3 Appendices - **none**

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